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Letter dated 4 May 2001 from the Permanent Representative of Uganda to the United Nations addressed to the President of the Security Council

On instructions of my Government, I have the honour to forward to the Security Council Uganda's response to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo (S/2001/357 of 12 April 2001) (see annexes).

As Amama Mbabazi, Minister of State for Foreign Affairs (Regional Cooperation) stated in the Security Council debate on 3 May 2001, Uganda believes that the report suffers from a number of fundamental flaws, and could be diversionary. Therefore the Government of Uganda urges the Security Council to remain determined and committed to the search for peace and stability in the Democratic Republic of the Congo by focusing and supporting the Lusaka Peace Agreement.

I should be grateful if this letter and its annexes were brought to the attention of the members of the Security Council and also circulated as a document of the Security Council.

(*Signed*) Semakula **Kiwanuka**
Ambassador Extraordinary and Plenipotentiary
Permanent Representative of Uganda to the United Nations

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Annex I to the letter dated 4 May 2001 from the Permanent Representative of Uganda to the United Nations addressed to the President of the Security Council

RESPONSE
BY THE GOVERNMENT OF THE REPUBLIC OF UGANDA

TO

THE REPORT OF THE UN PANEL OF EXPERTS ON THE ILLEGAL EXPLOITATION OF NATURAL RESOURCES AND OTHER FORMS OF WEALTH OF THE DEMOCRATIC REPUBLIC OF THE CONGO

MINISTRY OF FOREIGN AFFAIRS
KAMPALA, UGANDA
3RD MAY 2001

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1 INTRODUCTION

1.01 Background

On request of the President of the United Nations Security Council, on the 2nd of June 2000, the Secretary General of the United Nations established a Panel of Experts on the illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of Congo. The mandate of the Panel of Experts was:

- To follow up on reports and collect information on all activities of illegal exploitation of natural resources and other forms of wealth of the DRC, including violation of the Sovereignty of that country;
- To research and analyse the links between the exploitation of natural resources and other forms of wealth in the DRC and the continuation of the conflict;
- To revert to the Security Council with recommendations in six months.

The Panel of Experts visited Uganda from the 6th November 2000 to the 12th November 2000. The team was well received and commenced its business on the 7th of November 2000. The Panel of Experts met H.E. the President of Uganda, Y.K. Museveni, and H.E. the Vice President, Dr. Speciosa W. Kazibwe. The Panel also held meetings with various Cabinet Ministers, the Parliamentary Committee on Foreign and Presidential Affairs, Diplomats resident in Kampala and members of the civil society. (See appendix 1)

In January 2001, the Secretary General of the UN released the Interim Report by the Panel on the Illegal exploitation of the natural resources and other forms of wealth in the DRC. The Government of The Republic of Uganda duly made her comments to the Secretary General on the Interim Report. (S/2001/84).

The Government of the Republic of Uganda has received a copy of the report of the UN Panel of Experts on the Illegal Exploitation of Natural Resources and other forms of wealth of the DRC that was released on the 16th April 2001.

The Government has noted with grave concern the contents of the Report especially the serious allegations and accusations against the Government of Uganda, H.E. the President and high ranking officers of the UPDF.

The Government extended maximum cooperation to the Panel during their visit to Uganda. However, in spite of this assistance, the Panel proceeded to make serious allegations against the President and the Government of Uganda without tangible evidence. We can thus only conclude that the Panel was moved by other special interests with a malicious agenda against the President and the Government of Uganda. The Report tries to put the name of the President into disrepute and ridicule among the right thinking members of the International Community and by this, destroy the good name of the Government of Uganda and malign all the achievements of growth and recovery that have been achieved.

Despite this development, the Government of Uganda reiterates its respect for the United Nations and its organs and re-assures the Secretary-General of our willingness to cooperate with the Panel to arrive at the truth of the allegations made.

1.02 Key Elements of the Response:

The response of the Government of the Republic of Uganda as stated in this document covers the following points:

- The reasons why Uganda sent her army to the DRC;
- The efforts that are being made to resolve the conflict;

- The fundamental flaws of the Panel of Experts in the way they handled their mandate;
- Response to the specific allegations made against Uganda;
- The linkage between the exploitation of resources and continuation of the conflict;
- The Panel of Experts' conclusions and recommendations and our recommendations on the way forward.

The areas mentioned cover the two major issues raised in the Report i.e. the alleged mass-scale looting and the systematic and systemic exploitation of the natural resources and other forms of wealth of the DRC by Uganda and linkage with the continuation of the conflict.

2. WHY UGANDA IS IN DRC

2.01 Uganda Security Concerns in the DRC

Uganda's military involvement in the DRC is the result of her security concerns along its Western border emanating from the territory of the DRC. This involvement was with the consent of the DRC Government as per the Protocol of 27th April 1998. **(See Appendix 2)**

The basis of this Protocol was the realisation of capacity constraints of the Kinshasa Government to have full control over its territory in the eastern part of the DRC.

The following are specific acts of aggression which have been emanating from the DRC:

- Terrorist attacks on Uganda by:

- Allied Democratic Forces (ADF)
- Former Uganda National Army (FUNA)
- Lords Resistance Army (LRA)
- West Nile Bank Front (WNBF)
- Uganda National Rescue Front II
- Ex-FAR and Interahamwe

These rebel groups have been and are being supported and supplied by the Sudanese Government in Khartoum and the regime of the Kinshasa Government.

- **Proliferation of EX-FAR and the Interahamwe Genocidaires on DRC territory and their collaboration with Ugandan rebels.**

  - Whereas Uganda went into the DRC in reaction to acts of destablisation emanating from DRC territory, our forces were brought face to face with the naked threat of another genocide in the region. Like his predecessor, President Joseph Kabila is seen to support Interahamwe and ex-FAR on DRC territory. The latter are not only a threat to the region but also have unforgettable record of committing the most heinous crimes against humanity. The evil act of the Bwindi massacres in March 1999 by the Interahamwe serves as a reminder that their evil program is still in place. Besides, we all have an obligation to ensure the non-recurrence of genocide in the region. The Interim Report of the International Commission of inquiry on Rwanda published under Ref. s/1998/777 requested by the UN Security Council has details of vivid evidence of linkage between ex-FAR and Interahamwe with Uganda rebels and their missions to destablise the regions and Uganda in particular. For example the grisly Kichwamba (1998) massacre where over 80 students were locked up in their dormitory and

burnt to ashes and the Bwindi attack (1999) in which 8 foreign tourists was massacred respectively.

- **Uncontrolled flow and trafficking of arms in the DRC as the result of the collapse of State authority in the Eastern Part of the country is also a threat to peace and security in the region.**

2.02 The Lusaka Peace Agreement:

Since the eruption of the conflict in the DRC, several summits and meetings at various levels have been held with the aim of finding a peaceful resolution to the conflict. The President of the Republic of Uganda H.E. Y. Museveni played a very central role in convening these meetings which ended in the Lusaka Peace Agreement signed in Lusaka on 10th July 1999.

The fact that the DRC Government signed the Agreement means that DRC in conjunction with members of the OAU and the UN recognises the security concerns of countries neighbouring the DRC.

The Agreement has therefore been regionally and internationally acknowledged as the most viable framework for the resolution of the DRC conflict, especially in as far as it has:

- addresses the security concerns of the DRC and the neighbouring countries;

- address the internal dimension of the conflict through National Dialogue involving all the Congolese parties with equal say;

- purports to restore unity and bring peace in the region.

The process of implementing the Lusaka Agreement has since been re-energised with President Joseph Kabila assuming the realm of power in Kinshasa.

As a sign of her commitment to a peaceful and permanent solution to the DRC conflict, Uganda:

- Has participated in all regional and other fora on the conflict;
- Remains committed to the Lusaka Agreement, as the most viable means to overcoming the problem;
- Has unilaterally withdrawn nine battalions from the DRC between August 2000 and March 2001.

Uganda therefore invites all parties to the Lusaka Peace Agreement to recommit themselves to its full implementation.

2.03. Good Faith and Transparency – ICJ Case

The Government of the Republic of Uganda has demonstrated utmost good faith and transparency in her DRC policy. A case in point is the suit filed at the International Court of Justice in The Hague by the Government of the DRC against Uganda.

The case accuses Uganda of, inter alia, illegal exploitation of DRC resources. By law, Uganda had the option of not subjecting herself to the jurisdiction of the ICJ in this contentious case. However, Uganda Government decided in principal to accept the jurisdiction of the ICJ and defend herself.

This is a clear illustration that Uganda is not in the DRC for any other purpose except for her security concerns. If this were not the case, Uganda could not have subjected herself to this strenuous and costly process.

3. RESPONSE TO THE REPORT:

3.01 Fundamental Flaws of the Panel (paras 9-16)

a) Interpretation and application of the mandate

The Government of the Republiic of Uganda is of the opinion that the UN Panel of Experts made a grievous error in the interpretation of their mandate. Their interpretation that the Security Council mandate assumed that all parties to the conflict are motivated by the desire to control and profit from the natural resources of the DRC and that they finance their armies and military operations by exploiting those resources is erroneous. This error can be observed from the Panel's methods of work and the conclusions they arrive at. From the beginning, the Panel asserts that theirs was a fact-finding Mission and not an investigative one. Our interpretation of the mandate is that the Panel of Experts was to establish facts based on evidence.

The Report deliberately ignores all the other political developments e.g. the Lusaka Agreement and proceeds on the assumption that certain parties including Uganda are involved in the illegal exploitation of natural resources with the interest of continuing the conflict. The Panel of Experts thus gave a very narrow interpretation to their own mandate.

b) Conceptual definitions

The UN Panel of Experts embarked on the fact-finding mission without formal rules of procedure known to the parties and definitions of key words/concepts pertinent to the exercise. Formal representations were made to the Panel of Experts to provide Uganda Government with the questionnaire and definitions of contentious words like "illegality" and "violation of Sovereignty".

However, no questionnaire was made available to the Government delegations until the proceedings had started. This lack of transparency on the part of the Panel of Experts did not demonstrate good faith.

c) Illegality and violation of sovereignty.

The definition of illegality as given by the Panel is narrow and misleading. The conflict in the DRC is well known and the parties to that conflict are known to the United Nations. The civil war that is in the DRC is between the Kinshasa Government and the rebel groups in the East and Northeast.

The rebel groups who are in charge of the civil administration of the areas they control are responsible for their natural resources. These rebel groups have become recognised as parties to the conflict and are therefore subjects of international law.

It is our considered opinion that the Panel of Experts did not give proper consideration to this issue when dealing with the areas occupied by the rebels. The rebels in the DRC are citizens of the DRC and entitled to the natural resources of their country.

The submission of the Panel of Experts that, business activities carried out in violation of international law are illegal is incorrect. The civil war in the DRC is recognised by the International Community and there is a political and diplomatic process that is underway to resolve the problem. It is our opinion that the Panel of Experts misdirected itself on this issue. The Experts deliberately refused to acknowledge the presence of the rebel administration in the said parts of the DRC. The trade that is taking place between the rebel held areas and the neigbouring countries cannot be called illegitimate. The citizens of the DRC who cannot access

the services of the Kinshasa Government are entitled to trade their commodities for survival.

d) Methodology

The Government of the Republic of Uganda is greatly concerned at the methods used by the Panel of Experts (para 9 – 11). Despite the assertion in the Report that "...data were systematically analysed separately and then compared with one another..." and that "...the Report was written using empirical method combined with the economic analysis of data collected supported by elements of evidence", (para 11) Uganda holds a strong view that the Panel of Experts did not follow this methodology.

- The Panel of Experts turned down a request by the Uganda Government to present, in writing, the substance of the allegations by the DRC Government in order to enable her adequately prepare a response.

- The Panel of Experts turned down a meeting with the Ugandan experts (civil servants) for in-depth dialogue and instead preferred to interview Ministers.

- Most of the evidence/data on economic performance submitted to the Panel of Experts by the Uganda Government officials is not reflected in the Panel's Report.

- The Panel of Experts turned down a no-costs security guaranteed opportunity to visit all the areas under UPDF control in the DRC, in order to interview the civil society, the rebel leaders and UPDF officers so as to establish the facts on the ground.

- Economic links/associations/correlation do not prove "causality". No rigorous econometric and statistical analysis was contained in the Report to prove "causality".

e) **Composition of the Panel of Experts** (para 2)

The Government of the Republic of Uganda is of the opinion that the membership of the Panel of Experts does not reflect a fair representation of the interests and forces involved in the DRC conflict, regarding the standards of impartiality and knowledge of the area.

f) **Incompetence of the Panel**

In various areas of the Report the Panel of Experts demonstrates lack of coherence and common knowledge about the history, geography and parties to the conflict in the DRC. The following are examples:

- Acts committed by Congolese nationals are deliberately mixed with those allegedly committed by Uganda (see para 58), to malign Uganda's image without evidence.

- In **Para 64** imports to the rebel held areas are said to be coming through the Ports of Mombasa and Dar-es-Salaam. This is a fact that has existed for a long time. It has no relation to the allegation of Uganda's plans to control local commerce of the DRC.

- **Para 95** of the Report acknowledges that Uganda Government provided extensive data and information requested by the Panel of Experts. Despite this cooperation, the Panel of Experts' Report makes plenty of conclusions based on the un-named sources, unsubstantiated allegations, outright hearsay and illogical conclusions.

- **Para 80** of the Report alleges that certain companies have their headquarters in Kampala yet there is no evidence of their existence in the company register of Uganda.

3.02. Allegations that Uganda Illegally Exploited Resources of the Democratic Republic of the Congo

a) Mass-scale Looting

i) Main Allegation:

The Panel alleges (para 5, 32) that between September, 1998 and August 1999, Uganda army drained the zones under its control of existing stockpiles of minerals, agricultural products and forest products and, livestock and money. The Panel further alleges that these stockpiles were either transferred to Uganda or exported to international markets by UPDF or Ugandan nationals.

Response:

Uganda categorically states that members of UPDF (Ugandan Army) are prohibited by Ugandan administrative regulations from engaging in business whether in Uganda or in DRC. The President's (Commander-in-Chief) own directives and instructions are a case in point. The Panel's statement is, therefore, not a true reflection of Government policy. UPDF could not have done the above looting activities; which if they were mass-scale, as alleged, would have been noticed by Ugandan customs officials and other agencies which was not the case. And there would have been a dramatic increase in imports into Uganda or re-exports from Uganda, which is not the case given the statistics, availed to the Panel in November 2000.

ii) Cases for Illustration (Para 34, 35, 36):-

The Panel alleges (para 34) that General Kazini (of the UPDF) ordered confiscation of timber stockpiles, and that together with Jean Pierre Bemba of MLC organised a large operation for the confiscation of timber in Equateur Province. As evidence, the panel says General Kazini was reportedly seen in the area twice during looting and temporarily established his headquarters there.

Response:

Concerning timber looting, between 1997 – 2000, records given to the Panel, (Appendix 1, Para 8.4) of the value of imports of timber products from the DRC in comparison to what is locally produced and consumed in Uganda was less than 1%. This is not an indication of transfers of vast "stockpiles" to Uganda after confiscation from Annex-bois and La Forestiere. Therefore, no such looting could have taken place as alleged.

On confiscation of Coffee beans (Para 35). The Panel makes an erroneous interpretation that the presence of General Kazini in the province must have been used for such activity. Worse still, that he cooperated with the Congolese leader, Jean Pierre Bemba. General Kazini was in the area as overall Commander to oversee UPDF military and security-related issues only and not for business related questions or looting. Business and other economic activities were the preserve of Jean-Pierre Bemba of the MLC which is in charge of the territory.

iii) Para 137 alleges that DRC coffee is mixed with Uganda coffee but Uganda's coffee is of very high quality and importers have continued to give a premium price.

In response to this and to para 102, Uganda's coffee exports have instead been on a decline as shown in table below. Therefore, no mass transfer of coffee from the DRC into Uganda ever happened.

YEAR	BAGS
1996/97	4,237,114
1997/98	3,032,338,
1998/99	3,647,989
1999/2000	2,917,257

On dismantled factories and machinery spare parts, (para 36) the Panel provides absolutely no evidence to link this to the UPDF and the said spare parts were transferred to Uganda. The citing of this alleged activity is therefore in bad faith.

The Panel makes a false insinuation that cars and other items were taken from DRC to Uganda and that Ugandan statistics prove this as there was a 25% (one quarter) increase on registered cars in 1999. First, cars in DRC are mainly left-hand-drive, while those of Uganda are right-hand-drive. There are very few left-hand driven cars on Uganda roads. But the 25% is supposed to have come in from DRC!! Since there are hardly any good roads in DRC, the majority of the cars are 4-Wheel drive which dominate the market. Such large 4 X 4 number of cars (and left hand) should be visible to any observant person on Uganda roads. And this is not the case. The conclusion by the Panel on growth rate of vehicles registered in Uganda is inconsistent with the data for 1995 – 2000, which was provided to the UN Panel.

iv) The Panel (Para 43 and 44) alleges that Uganda's highest Army Commanders not only encouraged, but also organised and coordinated looting of manufacturing plants, stocks and private property. No evidence of a plant, stocks or private property that was looted by Ugandans is mentioned. In this there is a fallacious, even malicious attempt to paint a negative image of the UPDF. This attempt is seen in Para 44 (naming General Kazini's facilitation of looting activities).

The Panel concludes its allegation on mass-scale looting (Para 45) by erroneously inferring that Uganda Government was aware of the looting on the ground in DRC. This is clearly not fact finding but hearsay. Secondly, the panel's 'strong indications' are not backed by hard evidence (merely talking to numerous witnesses is not evidence especially when they are unnamed).

In conclusion, Uganda finds serious sweeping accusations advanced by the Panel, but with little or no credible evidence (at least it has not provided). This allegation is inconsistent with the evidence data shown .

(b) Systemic and Systematic exploitation

i) Allegations

1. That UPDF planned and organised systematic and systemic exploitation of the natural resources of the DRC including timber, minerals, wildlife and other forms of wealth (taxes and use of cheap labour). Key alleged components of Uganda's exploitation are:

- The establishment of state structures and systems of e.g. Administrative structures, modes of transportation, and financial networks (paras 71-77).

- Personal involvement of H.E. the President Museveni as either (i) a family shareholder in some of the involved companies (para 80) (ii), an accomplice and (iii) on the verge of becoming a godfather of the illegal exploitation (paras 201-206, 211).

- The collusion by the Ministry of Water, Land and Forestry in establishing a scheme to facilitate the certification of timber from the DRC as of Ugandan origin.

Response:

- Involvement of President Museveni: (paras 201 – 206)

  - The Panel admits the need to refrain from making allegations about the personal involvement of the President, due to lack of evidence (para 195) and yet makes strong inferences and conclusion that President Museveni is an accomplice in the illegal exploitation of natural resources of the DRC, and that he is laying the foundation for the continuation of war in the DRC. (para 201-206,211).

  - H.E. President Museveni, in his capacity as Commander-in-Chief of UPDF sent clear instruction to the Chief-of-staff and all UPDF units on 15 December 1998 prohibiting all officers and men of UPDF in the DRC from engaging in business (see Appendix 3).

  - The Panel met H.E. the President on 11 November 2000 for over two hours at State House Kampala, and at no time did they ask him about his involvement as the Head of State.

  - By bringing into disrepute the person and family of H.E. the President of Uganda, without any credible evidence, the Panel demonstrated either serious incompetence as a fact-finding team, or an arrogant display of malicious intentions.

- The Panel fails to show any concrete evidence of the alleged state structures and control systems designed to ensure a systemic/systematic exploitation of natural resources of the DRC.

ii) Administrative Structures (para 71)

UPDF does not engage in the civil administration in the DRC. This is the role of the local rebel leadership. In accordance with the provision of the Lusaka Peace Agreement, Uganda was mandated to have security responsibilities in the areas where UPDF is involved.

iii) Modes of Transportation

- The Panel does not provide any evidence that an increasing number of Ugandan aircrafts and their movements between Uganda and DRC were used to transfer vast quantities of agricultural products and minerals by the army for commercial purposes.
- As per information provided to the Panel by the Uganda Civil Aviation Authority on exports from Entebbe (1994 – 2000) clearly indicates that there was no dramatic increase in Uganda air-cargo exports of mineral or agricultural products (See appendix 1 Summary Report).
- The Panel fails to appreciate that after the complete breakdown of law and order and infrastructure in the DRC, and especially the disruption of the River Congo transport, the population in the Eastern DRC faced starvation. As a humanitarian act, Uganda encouraged commercial aircraft to take essential supplies – medicine, soap, salt, sugar, etc., to Kisangani. How can this humanitarian act be mistaken for plunder of the natural resources of the DRC

iv) Financial Network

The Panel admits that the systematic illegal financial and commercial activities in the DRC would need to utilise a financial network of banks. The

relevant section (para 77) fails to identify any financial institution or networks in Uganda linked to the alleged exploitation. Mention of Uganda in this section is a clear unsubstantiated allegation.

v) Creation of Government companies for purpose of exploitation: (paras, 79 – 80)

- The government has not formed any companies to transact business on behalf of government in the DRC.
- There is no evidence shown by the Panel that the two companies, Trinity and Victoria, are linked to Government in anyway. Attempts to link the President's family with these companies on the so-called undisclosed reliable source, are meant to put the name of the President into disrepute. The companies are not registered in Uganda with Registry of Companies. In para 81, the Panel states that Trinity is a fictitious company.

vi) THE DARA FOREST CASE STUDY OF SYSTEMIC/SYSTEMATIC EXPLOITATION OF TIMBER FROM THE DRC: AN EXERCISE IN DIS-INFORMATION (paras 46 – 54)

The Panel utilises the DARA-Forest Case Study to erroneously demonstrate that the Ministry of Water, Lands and Environment (Forestry Department) was in collusion with private companies to facilitate the certification of timber from the DRC for export as of Uganda origin.

Response:

- DARA-Forest went in DRC according to the Panel in 1998. The fact is that it is not registered in Uganda. It is an international business company. It operates in DRC and Uganda has no authority over their activities in DRC. All their

timber is exported to Europe, USA and Far East Asia via Uganda and Kenya. This is clearly stated by the Panel in para 52. DARA-Forest products are transported through Uganda in sealed containers, by DRC Customs to the Port of Mombasa.

- Sometimes their transit timber from DRC comes by road and is then transferred to the railway. Uganda got concerned that since there is an export ban on timber in the country may be DARA Forest could easily smuggle some of it. So, the Commissioner for Forestry requested DARA Forest to make its transit shipments known to Forestry Department but they wrote a harsh letter rejecting this saying that all their timber is in transit and customs laws do not allow any interference of goods in transit.

- If the Ministry of Water, Lands and Environment were in collusion, there would have been no exchanges of such letters.

- It is true that DARA Great Lakes Industries (DGLI) was registered in Uganda in October 1999. Note that this was after DARA Forest had begun its operations in DRC. The shareholders of the company include one Uganda lady but she is not a member of the President's family. Extract of shareholders signatures from the Memorandum and Articles of Associations as attached.

- On 21 March 2000 DGLI applied for a concession in 4 Forest Reserves in Uganda namely: Mabira, Budongo, Kalinzu and Bugoma. However, the Panel states that the application was made on 5 July 2000 to justify its chronological sequence of misinformation in paragraphs 51 and 52.

- It is true that on the same day the 21st March 2000 Prosy Balaba (the Ugandan shareholder) also wrote a letter to the Commissioner for Forestry requesting him

to allow an official from Smart Wood to visit the above forests. It should be pointed out that to the mind of the Commissioner he was dealing with a prospective investor regardless of whether the investor had other business ventures elsewhere. DGLI has an investment certificate issued by the Uganda Investment Authority. The concern of the Commissioner was the proposed investment in Uganda. He could not imagine that the investor had other sinister motives.

- Further the licenses to DGLI by the Commissioner in October 2000 were provisional licenses to enable DGLI to prepare their work and investment plans and to have an Environment Impact Assessment made. Not for extraction of wood. This implies that if the Ministry were in collusion it would not have to go through all these steps. The Ministry would have allowed DGLI to operate so that some timber would be extracted quickly from Uganda forests and this would be disguised with that of DRC.

- The Panel's assumption of linking DARA Forest operations in DRC to DGLI's intentions of establishing a business venture in Uganda is ill conceived. This is because the Panel itself states that DARA Group is an international company operating in Europe, USA and the Far East. Therefore DGLI can invest in Uganda with good intentions even if there was no ongoing war DRC.

- The new plant in Namanve for saw-milling hard wood as alleged in para 52 does not exist as yet. The project has only been licensed for construction.
- The Panel deliberately uses a falsified chronological sequence of information or dates of applications for the concession of Budongo Forest in Uganda in order to justify allegations of collusion by Uganda in the fraudulent certification of the DRC timber (Para 51 and 52).

The Panel further alleges that on the basis of eyewitness accounts, satellite imaging, key actors' acknowledgement and the Panel's investigation, there is sufficient evidence that timber extraction is related to Uganda's presence in Orientale Province.

- The Panel admits that DARA-Forest, a Congolese company, has the concession for the DARA-Forest. Yet the Panel reaches the illogical conclusion that Uganda as a state is responsible for the timber extraction.
- Uganda would like to see the so-called evidence in order to determine if in fact Uganda companies and individuals are heavily involved.

vii) Allegation of trading in Ivory and Endangered Animals

Para: 61: "... Impact on wildlife. Wildlife has also suffered a great deal from the conflict numerous accounts and statistics from regional conservation Organisation show that in the area controlled by the Uganda troops and Sudanese rebels, nearly 4000 out of 12000 elephants were killed in the Garamba Park in Northern Eastern Democratic Republic of the Congo between 1995 and 1999".

Uganda's Response:

Again this is an allegation based on hearsay. The UPDF does not operate in that area.

More fundamentally, Uganda as a signatory to the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), is obliged not to allow trade in Ivory and other endangered species be they animals or plants. Besides, Uganda is also signatory to other key international agreements that are

among the data submitted to the UN Panel when they visited Kampala in November 2000.

However if the Panel has evidence of the members of UPDF or any other individuals who engaged in such trade, then such evidence should be made available to the Government of Uganda which will carry out a probe.

The Panel alleges in Para 62, that Col. Mugeni of the UPDF was discovered with 800 kg of ivory in his car near Garamba Park. That a report was given to Government, but no action was taken. The Panel has not given evidence of this report to Government or where it was reported.

viii) Allegations on Illegal Mining (paras, 56-59)

The Panel alleges that direct extraction was carried out in three ways; i.e. by individual soldiers for their own benefit, by locals organised by Ugandan Commanders and by foreign nationals for the army or commanders' benefit.

Response:

- The Panel relies on outright hearsay evidence from friends of soldiers alleged to have been involved in mining (para 57). The Panel admits that they were not sure whether the soldiers shared the minerals.
- That Uganda soldiers sent Congolese recruits to dig gold after training, is an assumption without evidence.
- In para 59, the Panel quotes their key informer but does not give any name.

ix) Allegations on illegal monopolies and price fixing (paras 64-68)

- Ugandan soldiers are alleged to have forced local and foreign businesses to close, so as to gain control of local trade, (para 64).
- The Panel notes with surprise, the presence of Ugandan goods in the DRC and imports coming through Mombasa and Dar-es-Salaam.
- This is a fundamental failure by the Panel to appreciate the historical and economic ties between the Eastern DRC and the East Africa region.
- In paras 65 – 66, the Panel fails to note the effect of the war on commerce/trade in the region. The Panel does not give evidence that Uganda was in charge of buying and selling coffee or other products and hence fixing prices. The economic hardships affecting the people were ordinary effects of any war.
- Allegations of exploitation of financial transactions e.g. tax and cheap labour, with a system of local banks and companies linked with Kampala.
- The Panel does not adduce any evidence of any bank or company in Uganda involved in this scheme. The Panel does not show any bank or company in Uganda involved in this transaction.

x) allegations of government complicity (para 85)

- The Panel alleges that, individuals, mainly top army commanders, are involved in illegal exploitation in the DRC with the knowledge of the political establishment in Kampala.
- The Panel avers that, they came to this conclusion, on the basis of data, accounts and documents they received and analysed. They, however, do not state which documents and what data sources they used. For the Panel to deduce without evidence that the alleged illegal activities of the individual commanders in the DRC are known by the political leadership in Kampala shows ill motive on their part.

xi) allegations about defence expenditure (paras 115-117)

The Panel alleges that according to their unnamed sources, Uganda spent about US$126 million in 1999, an overspending of about US$16 million. The Panel also quotes various unnamed sources that UPDF soldiers in the DRC are paid a bonus of US$20 per month.

The Panel observes that Uganda officially spends about 2 per cent of its GDP on Defence, and the Donors monitor it. In spite of this information availed to the Panel, they proceed to make their own conclusions about the extra military expenditure in the DRC without any evidence. Uganda 's Defence budget for the year 2000/2001 is as follows:

Overall – Uganda shillings – 191 billion, Air transport charters – Shs.6 billion.

3.03 ALLEGATIONS AGAINST INDIVIDUALS AND UGANDA'S ALLEGED LACK OF COOPERATION WITH THE PANEL (paras, 87-89)

The Panel's Allegations:

Para. 11: "...Panel members attempted to speak to individuals against whom serious allegations were made. When access to those key witnesses was denied, Panel Members often relied on their closest collaborators for insight."

Para. 89: "...The third is Brigadier Kazini, former Chief of Staff of the UPDF and former Commander of Military Operations in the DRC... The Panel asked to meet with these key actors, but the request was turned down."

Response:

On the allegation that the UN Panel of Experts was denied access, it is erroneous to infer that Uganda showed a general lack of cooperation in helping the Panel to do their work.

During their visit to Uganda, the UN Panel of Experts met with President Yoweri Museveni and Vice President Dr. Speciosa Kazibwe. The Government of Uganda would like to point out that in their meeting with H.E. the President, the Chairperson of the Panel Mme Ba N'Daw, emphasised that the purpose of the team's visit was to collect data in the various countries involved in the DRC and to report back to the UN Secretary General.

During the meeting, the President welcomed the Panel's formation and stressed that Uganda had strongly supported the UN Security Council decision to set up the Panel in the first place, hence his willingness to cooperate.

Furthermore, the Government of Uganda would like to state that, in their meeting with H.E. the President of Uganda, both Brig. Kazini and Lt. Col. Mayombo were present. In spite of this, however, the Panel did not at any one time indicate that they wanted any information regarding the activities of these individuals in the DRC, which at the time was not surprising, since the Panel had indicated at the beginning of the meeting that their mission was not to investigate but to collect data.

The UN Panel was granted audience with several high-ranking government and Military officials. The Panel held separate discussions with, eight (8) Cabinet Ministers and with the Parliamentary Committee on Foreign and Presidential Affairs, as well as Diplomats Resident in Kampala and members of Civil Society. All this without any interference from the government agencies.

The Panel held a meeting with the Minister of State for Defence, Hon. Steven Kavuma. The Army Commander Maj. Gen. Jeje Odongo and the Acting Chief of Military Intelligence, Lt. Col. Mayombo, and others attended the meeting.

During this meeting, Mme Ba N'Daw raised a point of interest that Brig. Kazini and Gen. Salim Saleh had been active in taking natural resources out of the DRC. In response to this issue, Gen. Odongo expressed his willingness to be of assistance and invited the Panel to forward a list of specific questions which both Brig. Kazini and Gen. Saleh, would be required to answer, even though Gen. Saleh had retired from the Army. This invitation to the Panel however, was never honoured.

Uganda therefore wishes to express its total dissatisfaction with the allegations in Paragraphs 11 and 89 of the Report and the wrong impression and negative image they create that she was uncooperative.

Over and above verbal interviews conducted by the Panel with our highest-ranking Government officials, the Panel presented a Questionnaire that, to the best of our

understanding, broadly indicated the scope of the required data (1995-2000). It was agreed that due to the late submission of the questionnaire, the responses would be compiled and submitted to the UN Resident Coordinator in Kampala by 21st November 2000. **All questions that appeared in that questionnaire were duly answered** and dispatched to the UN Panel of Experts along with Diplomatic Note No. MOT/90/369/01 dated 21 November 2000.

On the 6th March 2001, Uganda communicated to the Chairperson of the Panel, on the follow-up to the interim Report, reconfirming our continued support of their work and inviting any questions, clarifications or additional data as well as extending another welcome to the Panel to revisit Uganda before the finalisation of the Report but to no avail.

The Government position on allegations against individuals is that, we shall set up a team to probe the allegations made and anybody found involved in illegal activities shall be tried and if convicted punished according to the law.

3.04 EXPLOITATION OF NATURAL RESOURCES AND THE CONTINUATION OF THE CONFLICT: A FALLACIOUS LINKAGE - para 95

a) Introduction:

To say that Uganda is in the DRC for purposes of exploiting the natural resources of the DRC, and that Uganda is all out to remain in the DRC for the same purpose as claimed by the Report is fallacious.

It should be noted that Uganda is committed to the Lusaka Peace Agreement and has been the first country involved in the DRC to implement the Agreement.

Uganda believes in and is committed to a peaceful and negotiated resolution of conflict in DRC. Indeed President Yoweri Museveni was one of the leaders behind most of the initiatives to find a diplomatic solution to the problems in DRC. He initiated the very first meeting, which took place in Victoria Falls, Zimbabwe on 7 and 8 August 1998. When he met his colleagues at the Southern African Development Community (SADC) Summit in Swakopmund, Namibia, President Museveni requested President Robert Mugabe to convene a meeting of heads of friends the DRC to try to find a solution to the political tensions that were evident in DRC at that time.

Unfortunately by the time the Summit took place, the political contradictions in DRC had erupted into violence. When it became obvious that the Victoria Falls Summit would not result in an immediate solution to the conflict in DRC, President Museveni appealed to President Mandela to convene a wider meeting of the SADC region and other affected countries outside SADC, such as Uganda, to try to generate a way of managing the crisis that had already erupted. It was again President Museveni who initiated Windhoek Summit of January 1999, comprising the core

countries that are militarily involved in the conflict in DRC. All these initiatives by President Museveni contributed to signing of the Lusaka Agreement.

Uganda and the DRC are in the process of normalising relations. In April 2001, Uganda sent a high powered delegation to DRC and discussions were cordial. President Joseph Kabila promised to reciprocate by sending a delegation to Kampala. This gesture indicates that there is optimism in the normalisation of relations process.

b) Vicious Circle of War and Exploitation (para 180)

The Panel alleges that the UPDF is exploiting the Hema/Lendu conflict to perpetuate the conflict in order to control minerals.

The ethnic conflict is a historical problem that is well documented in history. The major cause being land rights and not minerals. This is a false allegation meant to tarnish the name of Uganda and divert attention from the Lusaka Agreement process.

c) Economic Data Analysis vis-à-vis Exploitation of the Natural Resources of the DRC (paras 94-95)

i) Gross Domestic Product (GDP) growth. (para 142)

The Uganda economy has been buoyant for over a decade, well before the DRC war and Kisangani clashes took place.

Table:1 Uganda Real GDP Growth Rates

Financial Years	Percentages	Remarks
1994/95	10.6	Coffee boom
1995/96	7.8	
1996/97	4.5	Drought effect
1997/98	5.4	El-NINO effect
1998/99	7.4	Good weather conditions
1999/00	5.0	Terms of Trade & drought
1987/88-1996/97 average 6.4%		
Buoyant real economy		

Although the UN Panel of Experts Report notes that Uganda's GDP has been increasing since the early 1990s (actually GDP has been increasing since 1986/87), it partly attributes growth between 1998 and 1999 to Uganda's involvement in the Congo, mainly the exploitation of Congo's resources from the mining, agriculture and forestry sectors. This is not supported by economic data.

ii) Average GDP growth between 1987/88 and 1996/97 was 6.4%, while average growth between 1997/98 and 1999/2000 was 6.0%. Hence there has been a slow down in the rate of growth during the war period and not an increase.

iii) As has always been the case, agriculture has been the major source of growth for the Ugandan economy, since it is the largest sector. Rates of growth for the sector do not show any significant changes during the period referred to by the report. In fact the only factor that seems to affect the normal trend is the occurrence of drought in some specific years, while the bumper crop years coincide with non-drought years. The highest growth rate experienced was in 1992/93 compared to 3.2% in 1999/2000.

iv) The contribution of Forestry to total GDP has actually declined from 1.1% in 1991/92 to 1.0% in 1999/2000, while mining has increased slightly from 0.4 to 0.7. Hence these sector's contribution to overall growth is very minimal and are not the principal sources of Uganda's growth over the years and certainly not in recent years.

v) In any case computation of any country's Gross Domestic Product, only captures production within the country and excludes any production from other countries. It is a methodological mistake to attribute an increase in a country's GDP to production, which takes place outside the country. GDP as a concept differs from GNP.

The major factor in Uganda's growth has been the consistent implementation of economic reform programmes, which resulted in the achievement of macroeconomic stability, economic growth and poverty reduction.

d) Aid and debt relief from Bilateral Donor countries and multilateral bodies e.g. the World Bank and IMF (paras, 185 – 190)

As noted in the UN Panel of Experts' report, aid and debt relief, received by Uganda is spent on sectors that have been identified to be crucial for poverty reduction including Education and health. They form the core of expenditures in the Poverty Alleviation Fund. Donor contributions to the Fund are conditioned on the Government of Uganda not reducing its own contribution to the Fund. In fact Government's own contribution to these sectors has been increasing (See Table 2 below). It therefore cannot be true that assistance from bilateral and multilateral donors has given the government of Uganda room to spend more on defense while other sectors, such as education, health and governance have been funded by donor aid. The resources from the Poverty Alleviation Fund have been used in

UPE, Primary Health and Education, Water and Sanitation, agricultural research and extension and road maintenance and they have not been diverted to military expenditure. Indeed Defence expenditure has been contained within 2% of GDP. Government has generally remained a net saver with the banking system since 1992/93, indicating that fiscal policy has been highly disciplined for about a decade.

Table 2: **UGANDA POVERTY ALLEVIATION FUND (PAF) EXPENDITURES**

EXPENDITURE	1997/98 **(Shs billions)**	1998/99 **(Shs billions)**	1999/2000 **(Shs billions)**
Donor PAF Expenditure	0	33.8	90.2
Government PAF Expenditure	134.4	198.6	212.2

e) Re-exportation Economy vis-à-vis increased tax revenues: (paras 135 – 139)

The economic data and tax policy do not support the UN Panel of Experts' report claims that the treasury has benefitted from increased tax revenues as a result of the re-exportation economy.

Firstly, one of the economic reforms that Uganda undertook in the early 1990s was aimed at increasing revenue collections. Indeed in the 1990/91 financial year, revenue as a percent of GDP was at 8%, increasing to 12.4% in 1996/97. However it slightly declined to 11.7% in 1999/2000, which shows that the treasury could not have benefitted from the re-exportation economy as claimed by the report.

In any case, goods that are meant for re-export are not taxable in Uganda; hence it is not true that treasury could have benefitted from this source. However cross-border commercial exchanges between the peoples of Uganda and the DRC have

historically occurred, especially in the West Nile region. The report itself acknowledges this, but it must be emphasised that Uganda's economy was totally liberalised. The current account was liberalised in November 1993 followed by the capital account in July 1997, well before the DRC conflict and Kisangani clashes The balance of payment position has deteriorated rather than strengthened. The Balance of Payment has faced a lot of pressures arising from deteriorating terms of trade. Coffee prices on the world market have slumped while international crude prices have escalated. The volumes of coffee also fell from the level of 4.237 million bags (60 Kg) in 1996/97 to 3.032 million bags (60 Kg) in 1997/98. Again the coffee volumes fell from 3.647 million bags (60 Kg) in 1998/99 to 2.917 million bags (60 Kg) in 1999/2000.

f) **Uganda's balance of payments position has deteriorated rather than Strengthened**: (para 138)

The trade balances and the current account balance (excluding grants) has been widening rather than narrowing. The current account (excluding grants) to GDP ratio has widened from –9.1% in 1998/99 to –10.7% in 1999/2000 and is projected to even widen further to –13.1% in 2000/20001. The overall balance position has moved from a surplus position of US$59.1m in 1997/98 but deteriorated to deficit positions of US$21.5m and US$92.3m in 1998/99 and 1999/2000 respectively

The external sector has remained under substantial pressure owing to the wilt disease, which has destroyed some coffee trees and the sharp deterioration in the terms of trade. In the six months to December 2000, coffee export earnings have dropped by 53% compared with the corresponding period last year. Imports have also been somewhat weaker than envisaged, reflecting in part the effects of the depreciation of the shilling in the real effective terms in the year to December 2000, and lower real incomes arising from the decline in terms of trade.

g) Uganda's Financial System (para 135)

There is no financial institution in Uganda that was involved in the trade and indeed the UN Panel's report does not implicate Uganda in the abuse of the banking system. Since the report indicates the opposite situation obtained in Rwanda, a clarification should be made to the effect that the Ugandan situation should be clearly distinguished from the Rwandan one. The Panel's Report in its present form deliberately mixes up Ugandan and Rwandan situations. This is totally unacceptable.

Source of data:

i) Background to the budget 2000/01, Ministry of Finance, Planning and Economic Development. Kampala.

h) Gold Exports: (paras, 96 – 97)

The gold export figures in Table 1 of the Panel's report are those on export permits issued by the Ministry of Energy and Mineral Development that is, these are only intentions to export gold. The figures differ from those of actual exports figures captured by the Customs Department and Bank of Uganda.

i) Diamond Exports (paras 98, 99, 100)

The Panel quotes third party sources about Uganda's diamond exports. From data given, the Panel acknowledges that Uganda does not produce or export diamonds. The Panel, in para 99, recognises "loose regulations" at free zones that allow repackaging to falsify documents. It is a possibility that diamonds alleged to have come from Uganda could have gone through such a process, i.e., forged certification.

j) **Cassiterite** (para 102)

The Panel notes that they received information from one Uganda Customs post without indicating the nature of the source.

Table 1 of the Report indicates no exports of Cassiterite during 1998 – 2000. The figures in para 102, indicate Cassiterite imports. Uganda has no Cassiterite smelter. The figures used are irregular as one is given in Kgs and another in drums.

Besides these minerals in the Report, Uganda has oil, iron ore, Cobalt and many others, which remain unexploited. Therefore to accuse Uganda of going to DRC to exploit mineral wealth is ironical. Uganda would have loved to invest in its own mineral wealth if it had the necessary capital to do so.

4. THE PANEL'S CONCLUSIONS, FINDINGS AND RECOMMENDATIONS:

4.01 Conclusions and Findings (Para 213-218)

- Stating as the Panel does (Para 213) that "The conflict in the DRC has become mainly about access, control and trade of five key mineral resources ..." is a gross misunderstanding of the causes and dynamics of the conflict. This simplicity reduces the conflict to a "mineral conflict" . The truth and facts about the conflict in Congo, as far as Uganda is concerned, is the fact that this is a clear case of the internationalisation of an ethnopolitical conflict internal to the DRC. The collapse of the Zairean and Congolese State after several decades of Mobutu's dictatorship and plunder in collaboration with foreign interests generated fertile ground for the current conflict. The proliferation of rebel groups opposed to Rwanda, Uganda, Burundi and Angola operating on DRC territory particularly after the 1994 genocide in Rwanda, has been the sustaining element of the conflict.

The conflict therefore, was, and is basically an ethnopolitical conflict with serious security ramifications for neighbouring states. It is in fact the political solution through the Internal Dialogue as envisaged in the Lusaka Peace Accords that shall bring an end to the conflict and not the "end" of the "mineral conflict" as the Panel portends. It is Politics and security not minerals.

The Panel's conclusion is thus wrong, and is only intended to justify their report. In effect, it is diversionary in effect.

- The Panel says (Para.214) that the "exploitation of the natural resources by foreign armies has become systematic and systemic". We hold that any cases of illegal exploitation that there may be (which the Panel has not convincingly proved) are neither systematic nor systemic. They may be natural result of a conflict (war) situation in a territory of little or no infrastructure and a victim of a long time exploited and oppressed people with no effective State.

It is in fact the concerted attempts so far by Congolese liberation movements to bring law and order, reestablish a semblance of administration and economy that can be described as systematic and systemic. It is clear the Panel is at great pains throughout the Report to "systematise and systemise" the illegal exploitation of natural resources. It is not the companies trading minerals "that are the engine of the conflict in the DRC" (Para 215) but the persistent lack of a democratic dispensation, good governance and effective control of the territory by the Congolese people and State.

- It is not true to advance that "bilateral and multilateral donors have sent mixed signals (Para 216) to Governments with armies in the DRC". It is the Panel that has failed to search and find (or refused to accept) that these donors are realists, and not academic researchers. They know why the conflict exists and how they can help in its resolution. Not what the Panel misconstrues as the "real interests" of the donors (Para 227). Uganda believes the bilateral and multilateral donors have well understood the problem and their role.

- The Panel insinuates (Para 217) that top military Commanders, from let us say Uganda, are there to access DRC wealth. They neither needed nor do they need this conflict to benefit from DRC resources as the Panel advances. The contrary is true: all neighbouring states, including

Uganda need a peaceful, stable and secure DRC for more fruitful regional cooperation and development. The Congolese people are our brothers and sisters and their peace and development is the region's and vice-versa.

- Whereas for the Panel, this conflict is "a win-win situation for all belligerents"(Para. 218), the reality in DRC and the region is that it is a "lose-lose situation". Congolese have lost sovereignty, peace, security and development; Uganda has lost a peaceful, trading and fraternal neighbour and people, is a victim of banditry and terrorist attacks. Uganda is sure that Rwanda, Burundi, Angola and other belligerents have all lost in this conflict as has done the whole of Africa. This is why these Parties agreed to the Lusaka Peace Accord with all its potentialities. It is really in the minds of the Panelists that they have created the "win-win situation".

To say that "business has superseded security concerns" is an insult to Uganda due to the sacrifices so far registered. Other neighbouring countries would feel the same.

4.02 Panels Recommendations:

a) Prerequisite:

The Panel concludes (Para 219) that it "believes its report and recommendations are consistent with those resolutions" (Security Council and Lusaka Agreement)

- This statement is blatantly incorrect concerning the Lusaka Agreement. Whereas Uganda and the region and indeed all the Parties to the conflict

hold this Peace Accord as the key to the solution of the conflict, the Panel systematically, for reasons best known to themselves, makes zero reference or recommendation to the Security Council on it. For instance on whether the Lusaka Agreement could not be tasked to look at the illegal exploitation and the continuation of the war, as advanced by the Panel.

- It is therefore true to their initial agenda that the Panel never interviewed officials of the JMC, the Political committees, the Facilitator and others directly created by the Lusaka Accords. No wonder the only place where Lusaka is mentioned in this entire Report is in (Para.219), even in an insignificant reference.

  That the Panel acknowledge the validity of the Security Council Resolutions is obvious but adding "as well Lusaka Agreement" is a gross cover up and most inconsiderate.

b) follow-up

- That the Panel recommends for its own perpetuation (Para.220) is most unfortunate but quite understandable. Their extension would be only justifiable if they have to re-do the current Report to reflect fairness, truth and competence. Otherwise it is not uncommon that commissions and Panels and other ad-hoc committees have tendency to claim self-perpetuation.

- Secondly, this recommendation is very diversionary and injurious to the Congolese people and the region. Their current efforts are geared towards a rapid and comprehensive settlement of the DRC conflict. All UN resources and attention should be towards this primordial objective: Empower the Congolese people to assume full responsibility of their

sovereignty, independence and stability. The interests of some "stakeholders" as reflected in the entire report should not override those of the key parties.

c) **Sanctions:**

- The recommendation (Para 221) for an immediate embargo is shocking but not surprising given the Panel's Agenda. First, it is extreme, given the fact that the most cooperative countries in the Panel's project are the ones to be punished. Nearly 95% of the data is on those countries including Uganda. These same countries have even advanced their troop withdrawals from the DRC. Uganda has so far unilaterally withdrawn nine-battalions.

- Secondly, the recommendation would mostly harm and hurt the various Congolese Parties to provide for their populations in terms of Security, general healthcare, etc, especially where international support has been conspicuously absent. It is the trade in these very minerals that allows nearly 15 million Congolese to survive in very harsh economic and conflict conditions.

- Thirdly, the recommendation is a dangerous invitation for the anti-peace, anti-Lusaka Agreement forces within the DRC and outside to celebrate the demise of the Accord and provoke resumption of war or continuation of the conflict to the detriment of the aspirations of the Congolese people and the neighbouring States.

- Fourthly, It is uncalled for. Has the Security Council established that these alleged crimes are so serious to warrant an Embargo, and that the concerned countries have refused to accept Security Council

recommendations on the illegal exploitation of natural resources in the DRC?

- The recommendation for sanctions is clearly indicative of the initial agenda of the Panel itself.

Similarly, the Panel's recommendations of freezing of financial assets of rebel movements and their leaders (Para.222), of companies or individuals (223), Embargo on military materials (224) and the suspension of all military cooperation with "select" states with forces in DRC (225), are grossly unjustifiable and uncalled for. First, they will not help the current steps of the parties to end the conflict as it shall inflict unfair suffering to the Congolese people both in territories controlled by the Liberation movements and the Government.

Secondly, the concerned "select States" targeted by the Panel are being falsely accused and condemned as guilty using mainly flimsy circumstantial evidence and inaccurate data and hearsay. Thirdly, they do not help advance the peace initiatives but on the contrary threaten their prospects.

d) Financial and economic matters:

The recommendations for halting balance of payments support: (Para 226) and a call for IMF and World Bank to suspend budgetary support (Para 227) are advanced in the same spirit of the wish to punish "suspects" whom the Panel has "condemned". These measures would be extreme and disproportionate to the alleged crimes whose evidence has left a lot to be desired. For Uganda, as earlier explained, balance of payments support received from our development partners and IMF and World Bank budget support have no relationship to the alleged illegal exploitation of DRC natural resources. Uganda is not sure that such measures

would actually end any illegal exploitation because the government of Uganda is not carrying out such exploitation. It is trying to punish the wrong party.

- A call for the IMF and World Bank (Para 227 to design a policy guideline on cooperation with countries involved in conflicts is a call to politicise these institutions whose mandates are clear and they could be accused of partisanship in conflicts. It also diverts them from their primary responsibility of providing financial support and assistance to developing countries that happen to be the majority of nations affected by conflict. The current positions and policies by these institutions are appropriate.

The recommendation (para 228) urging for a Commission to be set up by DRC neighbours is most welcome and positive proposal. The UN should help provide the data and/or call on members to do so. Uganda has already concretised arrangements to institute commissions to investigate its own individual citizens in relation to the Panel's Report.

e) Diamond Business:

The liberalisation of the diamond trade (Para 229) is to open up DRC's trade but not necessary to curb the flow of illicit diamonds. The Panel's concern here seems to be that the current business arrangement is excluding "some anxious" dealers and therefore must be dismantled. But the Europeans should have few (monopoly) entry points! The ultimate effect of these recommendations (Paras 229,230,231) including adoption of the regime concerning Sierra Leone, is to allow the "eventual dealers" of diamonds in the developed world to directly go into DRC and access them than to deal with Congolese (local) or regional diamond dealers. The ultimate effect is not to end their "illegal" exploitation but to reintroduce plunder in total disregard of the interests of the Congolese population. Just as was the case in Mobutu's regime.

f) Forest and Timber:

The Panel's recommendations (232, 233, 234, 235) concerning the above and especially declaring "conflict timber and non-timber forest products" does not provide an effective and efficient mechanism to prevent, monitor and supervise this trade in order to eliminate illegal exploitation. The costs to the UN and other bureaucracies of these measures may outweigh the benefits while not achieving the main objective. The UN should spend the resources towards the reconstruction in DRC and the region other than set up more bureaucracies or unwarranted work for existing ones.

g) Reparation and Compensation:

The recommendations on this subject (236, 237) should have taken into account the fact that some of these allegations and accusations are already subject of litigation between Uganda and the DRC at The Hague.

h) Framework for reconstruction:

These recommendations (238) seem to invite the UN to take over what the Panel calls "occupied regions" and sort of administer them. This is uncalled for since the Lusaka Peace Accord shall create the necessary State power and authority and, in territories where there is no conflict. The Congolese State shall adequately carry out its responsibilities to its citizens.

The UN should rather come up with a serious reconstruction package for the DRC and regional countries directly affected by DRC conflict.

i) General:

These general recommendations (239, 240, 241) should not be Security Council concerns but should be a preserve of the countries concerned to set up their own commissions (similar to the ones recommended in (Para 228), and members of the UN be called upon to assist such Commissions to render fairness and Justice. Uganda has already taken measures in this respect.

j) Security:

This recommendations (Para 242) is as interesting as it is revealing. If the Panelists did a genuine, fair and free exercise, where is the source of their anxiety for their personal security. Unless, it is the normal business of the UN to pay for such security arrangements. In which case even individuals whose names, families and relations have been wrongly accused and exposed should be provided with "security". Otherwise this recommendation has indeed a lot to reveal.

5. OUR CONCLUSIONS AND RECOMMENDATIONS

5.01 Conclusion

1) From the foregoing, there is no doubt that the UN Panel's Report is shoddy, superficial and shallow, thereby displaying strong indications that it should not be called a Report of Experts.

2) The report in many instances "deliberately" confuses the sensible with the abnormal and because of poor handling of the aspects under their investigations, the Report hosts a number of lies picked from anti-Kampala political enemies and is not substantiated by credible evidence.

3) From the start, the Panel adopted definitions that are not only wrong but also subversive of African interests. It is a red herring. The Panel not only intentionally distorts the source of the conflict in the Great Lakes but also seeks to destroy Lusaka Peace Accord, the only viable agreement meant to comprehensively resolve the conflict in the DRC.

4) The Panelists excelled in malignant defamation of the person of H.E. the President of Uganda without any credible evidence by calling him an accomplice and godfather of criminal activities.

5.02 Recommendations:

a) Despite the flawed methods and the unsubstantiated allegations and accusations of the Report, the Government of Uganda is ready and willing to support the Security Council's efforts and recommend that:

i) The terms of reference of this Panel are made clearer to ensure a balanced data collection and analysis covering all countries involved in the DRC..

ii) The membership of the Panel is expanded and made more representative in order to deal with the obvious technical incompetence and geopolitical biases.

b) The Government of Uganda will on its own investigate these allegations and bring to book any individual found guilty. The Government of Uganda, therefore recommends that the sources of information/data used by the Panel in compiling their report is availed to her to help in their own probe.

c) The Government further recommend that the Panel widen its area of fact finding operations to include capitals of the industrialised countries such as France and Belgium with traditional links with the DRC including individuals and companies with capacity to invest in mining operations and maintaining non-gazetted airfields from which mineral products and other natural resources are airlifted to markets outside Africa.

d) When the Panel visited Kampala 7 – 12 November 2000, time was wasted because of lack of adequate advance preparedness by the Panel. Government, therefore, recommend that in their future work the Panel should avail 2 – 3 weeks in advance specific allegations and evidence, etc. against each country (Government, Companies, and Individuals). This method of work will not only be more efficient but also will also ensure fair play and avoid the element of surprise.

e) The Government of Uganda recommends that the Lusaka Peace Agreement be supported and encouraged in as far as it:

i) addresses the security concerns of the DRC and the neighbouring countries.

x) addresses the internal dimension of the DRC conflict through the national dialogue to create a new political dispensation in the DRC that shall assume authority over the full territory of the DRC.

xi) ensures the orderly withdrawal of all foreign forces from the DRC.

Appendix 1

Summary report on the visit to Uganda by the United Nations Expert Panel on the Illegal Exploitation of Natural Resources in the Democratic Republic of the Congo, 6-12 November 2000

1. As mandated by the UN Security Council Resolution 1219 (2000), the UN Panel of Experts on the Illegal Exploitation of Natural Resources of the DRC visited Uganda from 6th – 12th November 2000. The seven-man UN team was led by Mme Ba N'Daw, from Ivory Coast.[1]

2. As Mme Ba N'Daw informed the Uganda Government, the Secretary General of the UN established the Expert Panel with the following mandate:

   - To follow-up on reports and collect information on all activities of illegal exploitation of natural resources and other forms of wealth of the DRC.
   - To research and analyse the links between the exploitation of natural resources and other forms of wealth of the DRC and the continuation of the conflict.
   - To make recommendations to the UN Security Council within the next six months.

3. The Government of Uganda had, through the UN Resident Representative, requested the Chairperson of the UN Expert Panel in writing to forward advance copies of both the general questionnaire and a list of any specific allegations made against Uganda by the Government of the DRC. At the opening session, 7 November 2000, Mme Ba – N'Daw provided the Government with a general questionnaire. She also pointed out that the UN Panel was not an investigative team but a mission for fact-finding and data collection.

4. The UN Panel met H.E. President Museveni and H.E. the Vice President Dr Specioza Kazibwe. The Panel also held discussions with the following Cabinet Ministers:

   - Hon. Eriya Kategaya - 1st Deputy Prime Minister/Minister of Foreign Affairs.
   - Hon. Mrs Syda Bumba - Minister of Energy and Mineral Development.
   - Hon. John Nasasira - Minister of Works, Housing and Communications.

[1] *Other Mission team members were: Mr. Henri Maire (Switzerland), Mr Moustapha Tall (Senegal), Mr. Francois Ekoko (Cameroon), Mr Gilbert Barthe (Switzerland), Mr Mathew Conway (USA) and Mr. Malvin Holt.*

- Hon. Kisamba-Mugerwa - Minister of Agriculture, Animal Industry and Fisheries.
- Hon. Gabriel Opio - Minister of State for Finance.
- Hon. Stephen Kavuma - Minister of State for Defence.
- Hon. Kezimbira Muyingo - Minister of State for Water, Land and Environment.
- Hon. Jovina Akiki - Minister of State for Trade, Tourism & Industry.

5. The UN Expert Panel also held meetings with the Parliamentary Committee on Foreign and Presidential Affairs, Diplomats resident in Kampala and Members of the Civil Society.

II Summary of the Response to the Questionnaire submitted by the UN Expert Panel on 7th November 2000

6. Mme Ba N'Daw, Chairperson of the Expert Panel submitted the questionnaire to Hon. E. Kategaya, 1st DPM/MFA at the opening session, 7th November 2000. Due to the late submission of the questionnaire and scope of the required data (1995-2000), it was agreed that responses would be compiled and submitted to the UN Resident Co-ordinator in Kampala by 21 November 2000.[2]

7. From the questionnaire, the areas of interest by the UN Panel can be categorised under the following broad headings:

(a) Impact on Uganda's production, export and import data by the products of interest to the DRC.

(b) Uganda Government customs procedures.

(c) Aeronautical Income/Flights between Uganda and the DRC.

(d) Evaluating fiscal and customs receipts from international trade.

(e) Uganda legislation/regulation for international trade.

(f) Structure of Uganda's state budgets - 1995-2000.

[2] *See attached questionnaire and the relevant list of documents forwarded to the UN Expert Panel vide Diplomatic Note No. MOT 90 369 01 dated 21 November 2000.*

8. The key products of interest to the DRC indicated in the questionnaire are minerals (gold, diamond, uranium) and agricultural/forestry products (coffee, wood, ivory). As the data for 1995 – 2000 indicates there have not been any significant increases in Uganda import or export of these products.

8.1 **Coffee (ref. UCDA Data for 1995 – 2000 in attachment 3:**

i) Since the conflict in DRC started in August 1998 the trend in Uganda's Coffee exports have not shown any significant increase. Indeed figures show that from a high of 4m bags ($355m) in 1996/97, Coffee exports have declined to 3.6m bags ($282m) in 1998/99 and 2.9m bags ($164.7m) in 1999/2000.

ii) Monthly average volumes of Coffee exports do not indicate that there has been any significant influx of Coffee from DRC. It is known, however, that traditionally some Congolese Coffee growers export their Coffee through Uganda.

iii) One allegation by the DRC Government at the African Commission for Human and People Rights in Banjul was that an estimated Coffee yield of $70m was taken by Uganda from North Kivu between October - December 1998. It is interesting to note, however, that figures by Uganda Coffee Development Authority and Uganda Revenue Authority

iv) (UCDA/URA) indicate Uganda's total Coffee exports of $69.62m for the period covering October – December 1998.

iv) Uganda's National Accounts are among the best in the region. Any major infusion of abnormally huge amounts of Coffee from the DRC would have been reflected in the URA/UCDA/BOU statistics.

8.2 **Gold**

i) Uganda's Gold exports were: $26.6m (1995); $21.3m (1996); $18.1m (1997); $10.8m (1998); $28.3 (1999).[3]

ii) Quantities of export permits would be bigger than export returns because permits indicate untended while return indicate actual exports achieved.

iii) Normal expected increase in gold export for Uganda is due to two main factors:

- Liberalisation of export/import Trade in 1991, when the Ministry of Tourism, Trade and Industry abolished issuing of export/import licenses except for the negative list.[4]

[3] *Source: Uganda Revenue Authority.*

[4] *Negative list includes (a) waste & scrap of ferrous metal (b) wood charcoal (c) timber from trees grown in Uganda (d) coffee husks (e) fresh unprocessed fish (f) game trophies*

For example Royalty on gold was zero-rated and as a result informal trade in gold stopped and gold exports were formally declared thus improving available statistics.

- Improved investment climate bringing in new mining companies in Uganda.

8.3 **Diamonds**

i) The Minister of Energy and Mineral Development is the only person empowered to issue diamond export licenses.

ii) Records indicate that Uganda has neither imported nor re-exported diamonds into/out of Uganda during 1995-2000.

8.4 **Timber/Wood**

i) Recorded percentage value of imports of timber products from the DRC, in comparison to what is locally produced and consumed in Uganda, is very small, less than 1% between 1997-2000. .

ii) Timber which comes from the DRC is mainly through the border trade. Ugandan importers are usually linked to Congolese timber dealers/exporters. Export documents are often issues by authorities in Eastern DRC.

iii) The marked increase in the value of timber produced in Uganda in 2000 was due to a significant increase in market prices due to:

- Statutory Instrument 6 of March 2000 effect on the 1964 Forest Act.
- Stronger preservation policy by Government

iv) Possibility of informal border trade in timber products exists.

8.5 **Endangered Animals**

i) Uganda has been committed to conservation of the African elephant and other endangered species. Uganda is a signatory to the following key international agreements:

- Lusaka Agreement on Co-operation Enforcement of Cross-border Trafficking in Wild Life Trade.
- Convention on Conservation of Migratory Species of Wild Animals (CMS) of 1979
- African-Eurasian Migratory Water Bird Agreement (AEWA) of 1995

- Convention on International Trade of Endangered Species of Fauna and Flora (CITES) of 1975

ii) Uganda has strong policy and legislation affecting conservation of the elephant, and/or ivory trade:

- The Game (Preservation and Control) Act 1964.
- The Game Act (Preservation & Control) Act (Amendment) Decree No. 13 of 1995.
- Uganda Wildlife Policy (1994 & 19991).
- Uganda Wildlife Statute No. 14 of 1996 (which effectively created conditions that do not permit ownership and transaction in ivory).
- Strict record of confiscation/seizure or recovery of ivory.

iii) Due to the strict domestic legislation of Uganda does not permit export, import and transit transaction in ivory for the period 1994 – 2000.

9 **Customs Procedures**

i) Uganda has no seaport. Most of the imports (over 70%) are by road.

ii) Transit cargo – the Customs Department of Uganda Revenue Authority (URA) receives and escorts transit cargo vehicles from entry to exit points. In most cases the original seals on the containers are left intact. We have no record of transit of mineral products.

iii) Should there be cause for suspicion, Customs Department does the physical verification of the gods after which a URA seal is put on the container.

iv) In all cases of transit goods, a customs bond is executed at the point of entry and the sum is refunded only after the goods have exited Uganda.

v) Total verification is done at inland container depots for goods destined for Uganda.

vi) Records indicate that Uganda has neither imported not re-exported diamonds into/out of Uganda.

vii) Detailed guidelines for importers and exporters was forwarded to the UN Expert Panel in attachment No.8.

10. **Cargo Aircraft out of Uganda and Aviation Procedure**

i) Uganda has only one (1) International Airport at Entebbe with 3 runways of 3.6 km., 2.4 km. and 1.6 km respectively.

ii) The other airfields are either grass or murrum and only take light aircraft.

iii) Entebbe has five (5) adjoining Air Traffic Advisory Centres in Nairobi (East), Dar-es-Salaam (South), Kigali (South-West), Kinshasa (West) and Khartoum (North)

iv) As a signatory to the Chicago Convention on Civil Aviation, Uganda is duty bound not to allow into her airspace aircraft violating the airspace of other sovereign states.

v) The airbase at Entebbe is open to and used by many leased aircraft and it is impossible to conduct secret flight from there without attracting attention.

vi) Details of the charter flights between Entebbe/DRC (1994-200) are in attachment 7(b). Exports by type from Entebbe (1994-2000) contained in attachments 7(a) clearly indicate that there was no dramatic increase in Uganda's major traditional air-cargo exports: fish, flowers, papain, and fresh produce.

III **Summary Report of the Meeting with H.E. President Y K Museveni**

11. The meeting between H.E. the President and the UN Expert Panel was attended by Major G. Odong, Army Commander; Brig. J. Mugume, Deputy Army Commander; and Brig. Jama Kazini, Army Chief of Staff.

12. Mme Ba N'Daw briefed H.E. the President on the work of the UN Panel as mandated by the UN Security Council. She emphasised that the purpose of the team was to collect data in the various countries involved in the DRC and to report back to the UN Secretary General. She also wanted to hear H.E. the President's views on the status of the implementation of the Lusaka Peace Agreement on the DRC.

13. H.E. President Museveni gave the background to the conflict in the Great Lakes Region and emphasised the following points:

i) Uganda supported the UN Security Council Resolution which mandated the UN Expert Group on the Exploitation of Natural Resources in the DRC.

ii) The UN and international community need to understand the root cause of the conflict in the Great Lakes:

- The history of genocide in Rwanda (1959, 1994), Burundi, and the presence of genocidaires/interahamwe in the DRC.
- Alliance between the Sudanese Islamic fundamentalists with LRA/ADF[5] and the genocide forces in the DRC to distabilize the Great Lakes Region.

iii) If the UN is serious about intervention in the DRC it should do so under Chapter VII.

iv) The Lusaka Agreement on the DRC remains the best hope inspite of President Kabila's continued intransgence, because it:

- Deals with the issue of genocidaires in the DRC.
- Addresses the security concerns of regional neighbours.
- Establishes the internal dialogue for the democratisation of the DRC.

v) Uganda is in the DRC to protect her national security interests and not to exploit the natural resources of the DRC.

vi) Uganda has her own minerals (e.g. phosphate, gold, petroleum, iron ore, etc) which are unexploited due to lack of investment capital. Mining operations in the DRC would require capital investment. The accusations that Uganda is in the DRC for mineral exploitation, are therefore a 'red-herring!'

Summary Report of the Meeting with the 1st Deputy Prime Minister /Minister of Foreign Affairs

14 Hon. Eriya Katageya, 1st DPM/MFA chaired the opening session with the UN Panel, 7 November 2000. It was attended by various ministers and senior government officials as requested by the UN Expert Panel Chairperson. Mme Ba-N'Daw, Chairperson of the UN Panel, briefed the meeting on the mandate of the team. She clarified that the Mission purpose was not to investigate, but rather to fact-find and collect data. A copy of the questionnaire was handed over to Hon. Kategaya.

15 In his opening statement Hon. Kategaya made the following point:

[5] *Lords Resistance Army /Allied Democratic Force Rebels.*

i) H.E. President Yoweri Museveni, in his address to the UN Security Council, January 2000, strongly welcomed the establishment of an independent body of experts to investigate the question of illegal exploitation of natural resources in the DRC.

ii) Uganda has never been involved in the looting of Congolese resources or appropriation of Congolese property as alleged by the DRC Government.

iii) The conflict in the DRC arose out internal political instability aggravated by lack of effective administration. Uganda was drawn into DRC due to the national security threat caused by the presence of Sudan-backed rebels operating against Uganda from the Congolese territory and the interahamwe militias.

iv) Uganda remains ready to withdrawal all its military personnel from the DRC in accordance with the UN Security Council-endorsed Lusaka Cease-fire Agreement, July 1999.

v) The major question for the UN should be low to stabilise the DRC. The UN Mission on the illegal exploitation of natural resources is therefore diversionary.

Summary Report of the Meeting with Hon Syda Bumba, Minister of Energy and Mineral Development

16. Mme Ba N'Daw expressed interest in Uganda's Mining laws/policies regarding export/import of minerals and exploration of minerals along the Uganda/DRC border.

17. Hon. Syda Bumba briefed the UN Panel on the efforts for petroleum exploration in Lake Albert area, in Uganda; prospects for hydro-power generation and export; procedures for export and transit of minerals. Responding to the question on whether gold production in Uganda has increased due to the conflict in the DRC, Hon Bumba explained that the little growth in gold production has been largely due to the government liberalisation policy.

Summary Report of the Meeting with Hon. Kisamba-Mugerwa, Minister of Agriculture, Animal Industry and Fisheries

18. Mme Ba N'Daw expressed interest in the trade in agricultural products. Minister Mugerwa explained that due to good climate/soil/fresh water bodies Uganda has always sold agriculture products to the neighbouring countries including Kenya, Tanzania, Rwanda, Congo and Sudan.

19. Mme Ba N'Daw expressed specific interest in increase in coffee production in Uganda in the last few years, and trade in fish with the DRC. In reply, Minister

Mugerwa briefed the UN Panel on Uganda's efforts to revitalise fish, tea and coffee production including:

- The liberalisation of products and marketing of fish, tea and coffee.
- R & D into new breed of coffee such as clonal coffee which is resistant to coffee wilt, and can grow in non-traditional areas.
- The existence of a big programme of re-planting and rehabilitation of old coffee plantations.
- Fishing on the Uganda side of Lake Albert. Lake Albert is regulated by the Fishing Authorities to ensure proper and sustainable fishing methods.
- While tea is marketed in Auction Markets in Mombasa coffee is purchased by buyers in Uganda. Tea is sold by name of the Estate/factory for quality protection.

Summary Report of the Meeting with Hon. Kezimbira Muyingo Minister of State for Land, Water and Environment

20. The discussion with the UN Expert Panel concentrated on production/import/export/re-export of timber/wood products in Uganda. Minister Kezimbira Muyingo informed the Panel that:

i) Uganda does not import or export timber but it produces adequate timber for domestic use. Any export certificate of timber from Uganda would be a forgery or exported illegally.

ii) Besides the major forest areas, Uganda also grows certain types of trees in open grass lands including the iroko-mvule planted 50 years ago, especially in Eastern Uganda.

iii) There are no international companies involved in the extraction of medicines from barks of trees or species of shrubs. Traditional healers have, however, often use many species of shrubs.

Summary Report of the Meeting with Hon. J Nasasira, Minister of Works, Housing and Communications

21. Mme Ba-N'Daw's main areas of interest included Uganda's Road Development Strategy, revenues from road and air-traffic; and government policy on telecommunications. In reply Hon. Nasasira, made the following points:

i) Uganda has a-10 year Road Sector Development Programme (1997-2001).

ii) There are no road tolls, but a $8 fee is charged on heavy vehicles per axle.

iii) The Uganda Civil Aviation (CAA) is responsible for the colllection of fees at Entebbe Airport. CAA has provided data on Airport revenues in Attachment No. 7 (a) to the questionnaire.

iv) The Telecommunications Sector has been liberalised and two major operators – UTL, MTN - and three cellular companies licensed.

Summary Report on the Meeting with Hon. Stephen Kavuma, Minister of State for Defence

22. The meeting was attended by Major Gen. Jeje Odong, the Army Commander and the Acting Chief of Military Intelligence Lt. Col. Mayombo. Mme Ba-N'Daw expressed interest in:

- Reports that the Uganda military has been active in taking out resources of the DRC. Brig. Kazini and Gen. Salim Saleh are alleged to have been involved.
- Newspaper reports that military men/officers returning from the DRC do not pay taxes on their goods.
- Level of military expenditure in the DRC operations

23. In response, Minister Kavuma made the following points:

i) UPDF is active in the DRC in order to address security concerns emanating from rebel groups backed by Sudan who attack and commit atrocities against civilian population in Northern and Western Uganda. There are also genocidiaries in the DRC armed and trained by the Kabila to destabilise the region.

ii) UPDF do not pay taxes because they do not engage in business and return with uniforms and equipment used in the DRC.

iii) Uganda has kept defence expenditure under 2% of the budget because expenditure on welfare, building of barracks, etc. have been kept low in order to ensure security concerns of Uganda.

iv) Uganda does not finance MCL and RCD(K) activities in the DRC. Uganda assists the MLC and RCD(K) only in command and control and training. The rebel movements have captured weapons (from Kabila) and pay for their own feeding, etc as guerrilla activities.

24. Major Gen. Odong briefed the UN Panel on Uganda, disposition in the DRC and added that:

i) Uganda had initially sent 6000 troops into DRC. Five battalions pulled out in July/August 2000.

ii) He was willing to forward a list of specific questions to be answered by both Brig. Kazini and Ge. Saleh.

25. On the control of air crafts by CAA, Lt. Col. Mayombo explained that only military air crafts go to the DRC, and CAA only helps in air-traffic control.

Summary Report on Meeting with Hon. G Opio, Minister of State for Finance

26. The meeting was attended by Mr Tumusime Mutebile, Secretary to the Treasury. Mme Ba-N'Daw requested to discuss generally the state of the Uganda economy, foreign exchange markets and the cost of military involvement in the DRC.

27. Minister Opio and Treasury Secretary Tumusiime- Mutebile made the following points:

i) Uganda operates a flexible exchange rate with both the capital and current accounts liberalised.

ii) The Uganda shilling had recently been negatively affected by raise international oil prices, declining coffee prices, coffee wilt disease, the Bwindi incident which affected tourism and possibly, speculative attacks due to regional instability.

iii) Uganda has registered a 6-7% growth rate in the last 10 years and targeted at 7% in 2000/01.

iv) Although the Uganda shilling has always been used in the DRC, the impact on monetary policy in Uganda is very insignificant.

Summary Report on the Meeting with Hon. J Akaki, Minister of Trade, Tourism and Industry

28. Mme Ba-N'Daw expressed interest in discussing general regional trade issues, and the impact of the conflict in the DRC on trade and tourism in Uganda. Hon. Akaki made the folloing points:

i) The Ugandan economy is fully liberalised, both Ugandans and non-Ugandans are free to engage in any business.

ii) The Ministry of Trade, Tourism and Industry deals with broader policy issues and does not control trade, save for a short negative list. Issuing of licences has been divested to the Uganda Revenue Authority.

iii) Any increase in gold trade figures is due to the liberalization policy which has induced dealers to avail data to the authorities.

iv) The biggest negative impact of the conflict in the DRC on Uganda was caused by the highly publicised Bwindi incident, March 1990, when Western tourists were massacred by the genocidaires from the DRC.

v) UPDF Uganda has not had any influx in the trade of ivory into/or transit through Uganda from the DRC.

Summary Report on the Meeting with Dr Zake, Commissioner of Customs, Uganda Revenue Authority (URA)

29. Mme Ba N'Daw raised a number of technical issues with the Commissioner of Customs:

i) Reports of members of UPDF returning from DRC who do not pay taxes.

ii) Allegations that timber is being brought in by air from DRC.

iii) Regional co-operation structures of the National Revenue Authorities.

iv) Relationship between URA and the Civil Aviation Authority.

v) Procedures for transit goods in Uganda.

vi) Impact of the war in the DRC on revenue collection in Uganda.

30. In response, Dr Zake made the following points:

i) All Uganda returning from abroad have an allowance of $300 non-taxable goods. UPDF returning from the DRC carry their apparel which are non-taxable.

ii) URA monitors traders from DRC who air-lift their goods to Entebbe and transport them by road to DRC. Such goods are put in convoys and escorted to the border points. The documents are put on manifest and checked it the relevant points to ensure that goods have left Uganda.

iii) The Afromozia hardwood timber which was brought in by air from the DRC was in transit to the USA. URA ensured that the timber was under Customs control until the owners shipped it out.

iv) The various Revenue Authorities in Uganda, Kenya, Tanzania and Rwanda meet regularly on common issues including cross-border smuggling. There is no co-ordination mechanism between URA and the Revenue Authorities in the DRC and Sudan.

v) URA utilises a computerised system to monitor goods in transit as indicated by the transporter on nature of goods and destination. The Uganda Revenue Police monitors goods entering the DRC and the Sudan to ensure that goods are not released back into Uganda in small quantities.

vi) URA and CAA work closely to ensure that when goods arrive at the airport, URA does its paper work, and CAA carries out checks before clearance of goods.

vii) Uganda revenue collection has been increasing largely due to:

- The liberalised internal markets in Uganda.
- Entry into the market of big trading companies as centres for upcountry traders and are more willing to pay taxes.
- Increases in VAT on mobile telephones.
- Increased foreign investors in the various sectors in the economy.

Summary Report on the Meeting with Members of the Parliamentary Committee on Foreign and Presidential Affairs

31. The meeting of the Parliamentary Committee on Foreign Affairs was chaired by the Ag. Chairman, Hon. Toskin Bartile. Mme. Ba-N'Daw and members of the UN Expert Panel asked the following main questions:

i) Did Parliament discuss the question of the exploitation of resources in the DRC during the debate on the Kisangani incident, June 2000?

ii) Is there revenue being brought into the country from the DRC for the benefit of Uganda?

iii) Was there any Parliamentary debate following the plane crash which resulted in the death of an Army Colonel in 1999?

32. In response, the Acting Chairman and members of the Parliamentary Committee made the following comments:

i) During the debate on the DRC, the Government had assured Parliament that there was no exploitation of natural resources, and that the UPDF in DRC were under specific orders not to engage in business.

ii) Congolese women who had voluntarily moved into Uganda were following their husbands with whom they had properly been married and for whom dowries to the respective parents paid.

iii) Contrary to the perception of benefiting from the UPDF presence in Congo, the war in the DRC is costing Uganda dearly and has adversely affected the country's economic performance.

iv) There has been historical trade between Uganda and the DRC, and traditionally Eastern DRC has depended on Uganda for daily provision. Eastern Congo uses the Uganda shilling and US dollar as the medium of exchange.

v) The plane that crashed with an Army Colonel on board was a privately-chartered plan which crashed inside Uganda.

33. Hon. Paul Etiang, Member of Parliament for Tororo, Tororo District who has since 1964 been involved in African issues as a diplomat, Cabinet Minister and Assistant Secretary General of OAU gave a historical perceptive of the DRC and made the following points:

i) Many parts of the DRC have never seen any civilized administration for more than 30 years.

ii) The worst exploitation ever witnessed by DRC was during the civil war in 1965 when thousands of Belgians fled the Congo through Uganda with pockets literally overflowing with gold and diamonds.

iii) The work of the UN Expert Panel should have started in Europe as there are still European-owned mines with non-gazetted airstrips utilised to fly out their products outside the control of Kinshasa.

iv) The UN had in the past grappled with the Panel's subject of investigation without success. It is a diversion for Uganda to become a subject of investigation for going into the DRC to defend her national security interests.

Conclusion

34. Mme Ba N'Daw and her team were well received and given maximum co-operation Uganda. The message to the UN Panel was clear: Uganda is in the DRC for the protection of national security interests and is ready to withdraw the UPDF troops in accordance with the Lusaka Agreement on the DRC of July 1999 and the Kampala Disengagement Plan of April 2000. Ugandan military personnel and officials are strictly prohibited from doing business in the DRC. And, as the economic data for 1995 – 1995 clearly indicates, Uganda has not financially benefited from the presence of the UPDF in the DRC.

35. An objective report of the UN Panel should be able to reflect this position and reality of Uganda's involvement in the DRC. It is also hoped that an advance draft copy of the report of the UN Panel will be given to the Government of Uganda for comment before the official publication of the final report.

Compiled by the Ministry of Foreign Affairs

Kampala, Uganda

December 2000

MOT/90/369/01

The Ministry of Foreign Affairs of the Republic of Uganda presents its compliments to the Office of the UN Resident Co-ordinator and has the honour to forward copies of responses by the Government of Uganda to the Questionnaire which was given by the UN Panel of Experts on the Exploitation of Natural Resources and other Forms of Wealth of the Democratic Republic of Congo on 7 November, 2000.

The relevant data attachments are clearly indicated under each item of the Questionnaire sheet.

The Ministry of Foreign Affairs would be grateful if the responses could be forwarded to Mme. Ba-N'Daw, Chairperson of the UN Expert Panel in Nairobi.

The Ministry of Foreign Affairs of the Republic of Uganda avails itself of this occasion to renew to the Office of the UN Resident Co-ordinator the assurances of its highest consideration.

Kampala: 21 November 2000

Office of the UN Resident Co-ordinator
UNDP
Kampala

UNITED NATIONS

Panel of Experts on the Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo

NATIONS UNIES

Panel d'Experts sur l'Exploitation des Ressources Naturelles et Autres Richesses de la Republique Democratique du Congo

QUESTIONNAIRE

I) Products for which statistics (amounts in pounds or volume) are requested for the years 1995,1996,1997,1998,1999,2000:

1) Mineral products:
Gold diamonds coppers, cobalt, zinc, cassiterite, manganese, uranium, and coltan;

(a) Attachment No.1: by the Ministry of Energy and Minerals Development dated 15 November 2000.

2) Agricultural and forestry products:
coffee, tea,round wood,sawn wood,veneer wood,industrial wood, prunus africana, rubber/hevea, palm and other oils, and ivory;

(a) Attachment No. 2: paper on "Trade in Ivory in Uganda" by Ministry of Tourism, Wildlife & Antiquities.
(b) Attachment No. 3: by the Uganda Coffee Development Authority, UCDA, 15 November, 2000
(c) Attachment No. 4: by the Department of Forestry, 17 November, 2000

II) Of the aforementioned products, which are the primary ones that are exported? For those, we would like to have figures for the quantity or volume, volume value, country of destination, address of transporters, addresses of those importing/receiving these products abroad, mode (ground, air, rail, river, lake) and means (trucks, planes, boats, trains) of transport for the years, 1995,1996,1997,1998,1999,2000.

(a) Attachment No. 5: Data by Uganda Revenue Authority (ref. UC/DCT/MIN dated 17 November, 2000)
(b) Attachment No. 1: by the Ministry of Energy and Mineral Development dated 15 November, 2000
(c) URA (Uganda Revenue Authority diskette: Export Arj.)

III) Of the aforementioned products, which are the primary ones that are imported? For those, we would like to have figures for the quantity or volume value, country of origin and provenance, names and addresses of foreign expeditors, names and addresses of those importing/receiving these products domestically, mode and means of transport, with identification numbers for airplanes, for the years, 1995,1996,1997,1998,1999,2000.

(a) Attachment No. 5: Data by Uganda Revenue Authority (ref. UC/DCT/MIN dated 17 November, 2000)
(b) Attachment No. 1: by Ministry of Energy and Mineral Development Dated 15 January, 2000.
(c) URA Diskette: Import. dbf.

IV) Of the aforementioned products, those in transit from one country to be sent on to another, we would like to have figures for the quantity or volume value, country of origin and provenance, names and addresses of expeditors and recipients for the years 1995,1996,1997,1998,1999,2000.

(a) Attachment No. 5: Data by Uganda Revenue Authority (ref. UC/DCT/MIN dated 17 November, 2000).
(b) Attachment No. 6: 2000 Statistical Abstract by The Uganda Bureau of Statistics (UBOS).

V) Number of vehicles registered in Uganda for the years 1995, 1996, 1997, 1998, 1999, 2000.

(a) Attachment No. 5: Data by URA (ref. UC/DCT/MIN dated 17 November, 2000).
(b) Attachment No. 6: 2000 Statistical Abstract by The Uganda Bureau of Statistics (UBOS).

Evolution of fiscal and customs receipts for the years 1995,1996,1997,1998,1999,2000,particularly for international trade, revenues, and for goods and services.

(a) Attachment No. 5: Data by URA (ref. UC/DCT/MIN dated 17 November, 2000)
(b) Attachment No. 6: 2000 Statistical Abstract

(c) Attachment No.15b: Uganda's Tax Revenue for FY 1999/2000

VI) Evolution of airport receipts for the years 1995,1996, 1997, 1998, 1999, 2000.

(a) Attachment No.7(a): by the Civil Aviation Authority.

VII) Evolution of receipts for telephone and electricity usage for the years 1995, 1996,1997,1998,1999, 2000.

(a) Attachment No. 6: 2000 Statistical Abstract (pages 97-98)

VIII) Fraudulent/illicit trade: fraudulent products, their origin, and their routes of transportation, people/companies involved, and means of transport.

(a) Attachment No. 5: Data by URA (ref. UC/DCT/MIN dated 17 November, 2000)

IX) Movement of planes arriving in and departing from Uganda, with their registration numbers, for the Democratic Republic of the Congo, Rwanda, and Burundi, for the principal airport of Uganda, for the years 1995, 1996, 1997, 1998, 1999, 2000.

(a) Attachment No. 7(b): by the Civil Aviation Authority dated.....
(b) Attachment No. 5: 2000 Statistical Abstract

X) Ugandan legislation and regulations for international trade.

(a) Attachment No. 8: Exporters and Importers' Guide by Ministry of Trade & Industry dated December, 1991.
(b) Attachment No. 9: The External Trade Act (1991)
(c) Attachment No.10: The Uganda Wildlife Statute (1996)
(d) Attachment No.11: The Game Act (Amendment) Decree, 1975
(e) Attachment No.15a:The External Trade (Export Restricted Goods) Order 1987

XI) Trade balance and balance of payments for the years 1995, 1996, 1997, 1998, 1999, 2000.

(a) Attachment No. 4: by the Department of Forestry dated 17 November, 2000.

XII) In addition to inspection by customs agents, are imported and exported goods subject to inspection by private companies? If so, how many and what are their names?

(a) Attachment No. 5: Data by URA (ref. UC/DCT/MIN dated 17 November, 2000.

XIII) List and location of sawmills.

(a) Attachment No.12: by the Department of Forestry dated 17 November, 2000.

(b) Attachment No.13: Map indicating location of Sawmills.

UNITED NATIONS

Panel of Experts on the Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo

NATIONS UNIES

Panel d'Experts sur l'Exploitation des Ressources Naturelles et Autres Richesses de la Republique Democratique du Congo

Ministry of Finance

Complementary Information Requested - 9 November 2000:

- A copy of the State Budget for past five years (including current year)

  (a) Attachment No.6: 2000 Statistical Abstract by UBOS.
  (b) Attachment No.... Background to the Budget series.

- Who have been Uganda's five main trading partners for exports and imports for the past five years (including current year)?

  (a) Attachment No. 6: 2000 Statistical Abstract by UBOS.

- A list of all trading companies registered over the past five years (including current year)

  (a) Attachment No. 14: by the Ministry of Justice (Number of Companies Registered in Uganda between 1999/2000)

  (b) What has been the spending above the State Budget for the past five years?

  (a) Attachment No. 6: 2000 Statistical Abstract by UBOS

- What has been internal debt of Uganda over the past five years?
  (a) Attachment No. 6: 2000 Statistical abstract by UBOS

- A copy of legislation pertaining to the East African free currency arrangement (enacted approximately three years ago)

(a) Attachment No. 16: "Guide to East African Currency Notes"

Appendix 2

[Original: English and French]

PROTOCOL BETWEEN THE DEMOCRATIC REPUBLIC OF CONGO AND REPUBLIC OF UGANDA ON SECURITY ALONG THE COMMON BORDER

Upon the invitation of His Excellency the State Minister and Minister of Interior visited Kinshasa from 24th till 27th of April within the framework of a bilateral meeting between the DRC and the Republic of Uganda.

This meeting is a logical follow up the first two which took place in Kinshasa from the 11th till the 13th of August 1997 and in Kampala from the 6th till the 7th of April 1998.

The two delegations pursued their discussions on the preoccupying security situation that prevails along the common border.

- In order to put an end to the existence of the rebels groups operating on either side of the common border, namely in the Ruwenzor ,

- Whereas the two delegations would like to see their people live in peace in accordance with the will expressed by the two Heads of State to guarantee and strengthen peace, security and stability in the Great Lakes Regions; which are important factors for the social and economic development;

- Given that an in-depth-analysis of the military, security and immigration aspects has been done.

The following two parties agreed as follows:

Concerning the Military

The two parties recognised the existence of enemy groups which operate on either side of the common border. Consequently, the two armies agreed to co-operate in order to insure security and peace along the common border.

As security services

The two security services concurred on the strengthening of their co-operation.

In so far as immigration is concerned
The two parties agreed to convene a meeting of the relevant authorities in order to set up an adequate mechanism to allow for free movement of people and goods.

Done in Kinshasa,

For and on the behalf of
the Republic of Uganda

Hon. Tom Butime

Minister of Internal Affairs

For and on the behalf of the
Democratic Republic of Congo

H.E. Gaëtan Kakudji

State Minister in charge of the
Interior

JOINT COMMUNIQUE

Upon the invitation of the Government of the Democratic Republic of the Congo, a Ugandan delegation led by His Excellency Mr. Tom Butime, Minister of the Interior, visited Kinshasa from the 24th till the 26th of April 1998 within the framework of the bilateral meetings between the Democratic Republic of the Congo and the Republic of Uganda.

The delegation of the Democratic Republic of the Congo was led by His Excellency Mr. Gaëtan KAKUDJI, State Minister in Charge of the Interior.

The lists of the two delegations members are attached to the present joint statement.

During the meeting, the two parties discussion issues related to :

1. security along the common border
2. police training
3. refugees

As to the first item, after an in-depth analysis of the preoccupying situation that prevails along the common border, the two delegations agreed on the ways and means to eradicate insecurity and thus allow the people of the two countries to live in peace in accordance with the will expressed by the Heads of State, Excellencies Mzee Laurent Desire Kabila and Yoweri Museveni

Regarding police and public order, a co-operation agreement on training was signed by the two parties.

In so far as the problem of refugees is concerned, the two delegations with the United Nations High Commission for Refugees agreed on voluntary repatriation of the two countries refugees.

The proceedings took place in an atmosphere of perfect understanding and brotherhood.

The Ugandan delegation expressed their gratefulness to the Congolese people for the warm welcome and hospitality accorded them during their stay in Kinshasa.

Done in Kinshasa, the 26th of April 1998.

For and on behalf of the Democratic Republic of the Congo

Gaëtan KAKUDJI
State Minister in charge of the Interior

For and on behalf of the Republic of Uganda

Tom R. Butime
Minister of the Interior

THE REPUBLIC OF UGANDA

AGREEMENT PROTOCOL

Between

The Government of the Republic of Uganda

and

The Government of the Democratic Republic of The Congo

On Police Training and Public Order in the Democratic Republic of The Congo

Between the parties :

The Republic of Uganda on the one hand,

and the Democratic Republic of the Congo on the other hand

It has been agreed that :

Article 1 : The Republic of Uganda supplies to the Democratic Republic of the Congo 20 qualified instructors for the training of policemen in the Democratic Republic of the Congo.

Article 2 : The Democratic Republic of the Congo :

- takes in charge the return ticket of the instructors and exempts them for the airport tax,
- puts at the instructors disposal adequate facilities
- Provides security, health care, foods, accommodation and transport

Article 3 : Administration, Security, discipline and command during the training are on the jurisdiction of commander of the centre (Congolese). As to the discipline among the trainers, it will be under the jurisdiction of their commander in lialson with the commander of the centre.

Article 4 . The training will take effect after the signature of the present agreement protocol and can not go beyond a civil year.

However, the parties may decide otherwise if the objectives have not been reached after the trainer have submitted the result.

Article 5 : The Republic of Uganda will supply within the required time and in agreement with the Democratic Republic of the Congo the program for a sufficient adequate training.

Article 6 : The Republic of Uganda may proceed to the replacement of one or three instructors provided. The Democratic Republic of the Congo is informed beforehand. In that case the return ticket of the new instructors will be provided by the Republic of Uganda.

Article 7 : It is the right of the Democratic Republic of the Congo to fire any instructor whose conduct is incompatible with the mission of the Republic of Uganda according to this agreement or violates the laws of the Democratic Republic of the Congo.

Article 8 : The Democratic Republic of the Congo is committed to provide $25 bonus per day to each instructor as of the beginning of the training.

Article 9 : Without prejudicing the provision of Articles 5 and 7, the present protocol can be terminated at the end of the period mentioned in Article 4 . However, the obligations generated would be paid within 40 days as of the date of expiry.

Article 10 : The present agreement protocol is implemented in the following languages:

- English
- French
- Swahili

Article 11 : Any litigation resulting from the application or interpretation of this agreement protocol will be settled in a friendly manner by the two parties committed to implement it in good faith.

Article 12 : The parties will carry out their communication in writing.

Done in Kinshasa, the 26th of April 1998.

For and on behalf of the Democratic Republic of the Congo

Gaëtan KAKUDJI
State Minister in charge of the Interior

For and on behalf of the Republic of Uganda

Tom. R. Butime
Minister of the Interior

Appendix 3

"TRUE COPY"

H.E. PRESIDENT YOWERI MUSEVENI COMD-IN-CHIEF (H/EX) RADIO MESSAGE TO CHIEF OF STAFF AND ALL UNITS BANNING TRADE IN DRC BY OFFICERS/MEN UPDF.
DTG 1500010 C DEC 1998
i.e. 15th December 1998 at 0010 Hrs.

FROM : H.E. FM H.EX FR AG.COS.

TO : AG. COS

INFO : MSD
AC
ALL UNITS

(1) ENSURE THAT THERE IS NO OFFICER/MAN OF OUR FORCES IN CONGO WHO ENGAGES IN BUSINESS.

(2) ALSO REPORT TO ME ANY OTHER PUBLIC SERVANT WHETHER CURRENTLY BASED IN BUSINESS IN CONGO OR NOT WHO TRIES TO ENGAGE IN BUSINESS IN THE CONGO.

(3) HOWEVER, OTHER UGANDAN BUSINESSMEN (WHO ARE NOT SOLDIERS OR PUBLIC SERVANTS INCLUDING ALL POLITICIANS OR THEIR FAMILIES) SHOULD, GIVEN THE FLUID SECURITY SITUATION IN CONGO, BE ASSISTED IF NECESSARY TO DO BUSINESS THERE IN ORDER TO ALLEVIATE THE ACUTE NEEDS OF THE POPULATION AND ALSO TO ESTABLISH LINKS FOR THE FUTURE. THE PURPOSE OF THIS DIRECTIVE IS TO ERASE THE FEELING THAT I ORDERED OUR FORCES TO LOOT MINERALS FROM CONGO AND NOT TO DEFEND OUR SECURITY INTERESTS.

Dated 15 December 1998

Annex II to the letters dated 4 May 2001 from the Permanent Representative of Uganda to the United Nations addressed to the President of the Security Council

H.E. Yoweri K. Museveni's response to the United Nations report on the Democratic Republic of the Congo

Recently, a panel of so-called independent "experts" produced a very shoddy report for the UN Security Council on the illegal exploitation of resources in Congo. I was one of the people that supported the UN decision to set up such a committee. When that panel was formed headed by a lady from Ivory Coast, we had lengthy talks with the team. I was, therefore, surprised when I saw their report claiming that some Ugandan officials refused to meet them. How come they did not tell me when I met them? Why did they not write to our Ambassador at the UN, or the Ministry of Foreign Affairs? This is a lie by those individuals.

This report is supposed to be debated upon by the UN Security Council. Uganda will, therefore, have plenty of opportunity to expose the shallowness of this report. It is, in fact, not worthy of being called a report of experts. Experts cannot be so superficial in their investigations. Since, however, the report is being put out in the name of the UN, we have no alternative but to go to great pains to answer every point (falsehood or misinterpretation) raised by them.

The report has got three fundamental faults: the scope of the investigations they carried out (confusing the sensible with the abnormal); the poor handling of the aspects they should have investigated; and the telling of lies that they picked from our political enemies in Kampala without bothering to gather evidence to substantiate or reject the lies.

The Scope:

The panel described as "illegal exploitation of resources" any economic activity on the territory of Congo that is not authorised by the "legitimate" Government of Congo. This definition was not only wrong but subversive of the development efforts of Africa in the last 15 years. There has been a form of re-awakening in the last 15 years by Policy makers, expunging the old confused approach of the 1960s of over-involving the State in all and every economic activity.

That is why Africa failed to grow in the 1960s, 70s and early 80s. Now that this mistake has been realised, some African economies, Uganda included, are beginning to grow. In the new understanding of economic management, it is the private citizens that engage in production and distribution of goods; not governments. The correct understanding of economic management should, then, enable us to distinguish between activities that are indispensable for the sustenance of families and individuals and which, therefore, can never be suspended even in time of civil war (as far as circumstances allow) and those economic activities that are controlled by the State which ought to be suspended until there is normalcy and an accountable Government in the Country.

The growing of coffee, cotton, tobacco, tea or the keeping of goats and cattle are, in the majority of cases, not State functions. It is the families or private companies that do this. The Government, where it exists, simply regulates these activities by licensing the sale of the produce from those activities and, in some cases, collecting taxes, not to forget extension services to the farmers (advice about techniques, seeds, etc). When there is a civil war in the country, as has happened in Uganda twice in the last 21 years, sometimes the rulers in the centre *(never mind how legitimate that rule was in the first place)* lose control of large chunks of territory. The regime's authority disappears. What are the poor coffee farmers or cattle-keepers supposed to do? Starve in their houses or be exterminated by disease in loyalty to the regime that disappeared? If you claim to be a patriot, or a humanist or simply a nationalist, you cannot advise the poor farmers to take that course. If you do, you should be categorised as a genocidaire because, without selling their commodities, peasants will perish. In 1979 and 1985, when Uganda was cut into two parts by civil wars, all the cattle in the South West of the country would have perished had we not been getting acaricides (anti-ticks) and other drugs from Kenya, Tanzania, Rwanda, Burundi and Congo. In turn we were selling our coffee, timber, beans, maize, cement, etc. to, or through, those neighbouring countries. The neighbouring countries saved our people from dying by getting us what we could not get from the regime and buying what we were producing. How, then, can a rational man or woman, let alone an expert, call this "looting"? Unless you say that somebody robbed the coffee of peasants or companies, or Mr. Museveni's cattle, without paying for what he bought, calling such activities illegal is a serious mistake of perception. This is trade. The only difference is that the rulers in the centre have fled; but normally there are other incipient rulers that are commonly called rebels who now fill the vacuum. I was such a character in both 1979 and 1985. I became the authority in the South West replacing Amin (1979) and Okello (1985) whose "legitimate" *(read illegitimate rule)* had, finally and fortunately, come to an end, at least, in that part of the Country. It was the dawn for a better future. What the families in that part of the country did was to survive so that when the dawn finally becomes daylight, they are still around as well as their herds of cattle. Surely, the UN panelists could not have wished otherwise. Therefore, commodities like coffee, cattle or tobacco should not have been part of this enquiry.

Even if there was no civil war or breakdown of law and order, as is the case in Congo, today, and provided the macro-economic policies are not right, the peasants will still smuggle the coffee to neighbouring countries where they can get better terms and the UN panelists cannot do anything about this except if they offer themselves as experts (*this time real experts*) in the respective Ministries of Finance of the Countries concerned in order to evolve appropriate macro-economic stimuli.

In the case of Eastern Congo, there is an additional factor. All the bulky merchandise of Eastern Congo has always gone through the ports of Dar-es-Salaam (in Tanzania) and

Mombasa (Kenya). Kinshasa is too far to be economic. Surely, the UN Panelist could not make it their mission to negatively investigate Africa's geography and history. Therefore, it was nonsensical for the panelist to present these legitimate economic activities of the people of Easter Congo and East Africa as illegal merely because the undemocratic regimes in Kinshasa had finally imploded. This is not the place to go into the roles of those that manufactured those regimes in the first place.

Before I leave this point, I would like to point out that before Colonialism there was always trade between Uganda and congo. The people of Congo would take salt, iron-products, etc., while the Ugandans would receive copper products (*e.g. emiringa* - bracelets) and ivory products (*engoro* - again bracelets).

Nevertheless, at the beginning of our Congo operation, I forbade all army officers, Government officials and their family members engaging even in this legitimate trade. Only private Ugandans or non-Ugandans based in Uganda could engage in this type of business.

Therefore, in my opinion, the UN panelists should have concentrated on minerals, possibly natural forest timber and ivory. These are definitely not items that are necessary for the basic subsistence of families. They are clearly for commercial gain. Moreover, especially minerals, they are exhaustible; they are finite. Therefore, morally, they should, ideally, be used by accountable Governments in the centre to create alternative durable and sustainable capacity through educating the children of the Country, building power stations, etc., so that by the time they are exhausted, the people of that country have alternative sustainable capacity. What is not renewable, provided it is well utilised, can bequeath us an eternal capability. England had coal. The coal is now exhausted. However, the English, on account of the human resource development that has transformed England since the industrial revolution, are now earning greater monies from selling computers, machines and machine parts, etc. etc. Therefore, minerals should be used for the strategic purpose of transforming society, different from renewable coffee that can be both strategic and also for the immediate survival of families and commercial units.

Minerals, however, fall into two categories: reef minerals (*where you hit the seams of mineral bearing rocks*) and alluvial minerals mainly panned in rivers. Alluvial minerals are normally washed down from minerals in rocks somewhere upstream; or may be remnants of ancient rocks that were dispersed over the years by weathering and erosion. It is easy for Government or any well-intentioned person to monitor what goes on at mineral reef sites. The Government can easily know that copper and cobalt are being mined at Kilembe (Western Uganda) or not. Normally this type of mining requires a lot of machinery. The recently opened cobalt factory at Kasese cost more than US$100 million. Nobody can miss such an overt activity. I can, therefore, tell Ugandans and the World, based on the

information I have, that there is no mining going at such sites in the are of our control, i.e., Kilo-Moto near Bunia and Durba near Watsa. These gold mines have been closed since the time our forces have been in Congo according to my information. In fact I encouraged the UN panel to visit those sites. Apparently, however, they declined to go there. Let a more serious team, then, go to these sites and verify the truth.

I have also been informed about diamonds operations beyond Banalia. I told our Army never to go there. They are always at the ferry-crossing to guard our route from Kisangani to Buta. About 40 Kms away from Banalia crossing, where our Army is, there is apparently some panning (alluvial) for diamonds by peasants and petty prospectors. It is not easy or advisable for any Government or Army to try and interfere with such petty operators. It is politically explosive and not feasible to sustain if you make it your business to interfere with such small operators.

As I have said, while it is easy to monitor reef mining, it is another *kettle of fish* when it comes to alluvial panning. There is no way a Government, even when law and order is fully established, can control, or even monitor, artisanal mining using fascist administrative methods. The only medicine for artisan mining is to use macro-economic stimuli such as de-regulation, having a fully convertible currency and allowing anybody that wishes, and is able, to open dollar accounts by allowing them 100% retention of their forex earnings. That is how Uganda has managed to reverse capital flight from this activity. That is why the panelists were erring by saying that Uganda's gold earnings have gone up in recent years because Uganda was looting Congo's gold. Since many years ago, there has been a lot of artisanal mining for gold, wolfram, coltran, etc. going on in the following areas of Uganda: Buhweju, Ibanda (Rukiri), Kanungu, Kassanda, Karamoja and Busia. In the case of Busia, we are about to operationalise reef mining. However, the earnings from all this gold were being taken out of the country because of wrong economic policies of our Governments. If the Governments are foolish, the businessmen are not foolish. If you have wrong economic stimuli, the people will conceal their earnings from you. If you do not interfere with them, their earnings will surface. That is what has happened in respect of our artisanal mining. The sub-terranean panning that has been going on for decades has now surfaced because we do not interfere with the operators. In fact our gold exports climbed to nearly 4 tones by 1995 - long before the first Congo war. This climb was in response to our liberalisation policies. We now export about 10 tones of gold. It is also possible that, on account of our relaxed and correct economic stimuli, some quantities of gold panned in Tanzania, Congo and Sudan are going through Uganda on top of our own panning sites. This is positive. Nobody loses. The greater foreign exchange that comes in now is used by Ugandans, Congolese, Tanzanians and Sudanese. The non-Ugandan partners in this case buy roofing materials (iron sheets), cement, etc. from Uganda and construct new houses in their countries. You can clearly see this when you fly over the Kasindi areas of Congo. A lot of

new houses have been built with shining corrugated iron roofs. The boom for housing in Uganda is, therefore, shared with Congolese brothers and sisters - in spite of the overall bad situation in Congo. Why should any well-meaning person be unhappy with this mitigation of problems for our Congolese colleagues?

Finally, the panelists excelled in malignment and defamation. They falsely alleged that members of my family such as Saleh, Jovia and Muhoozi are engaged in "looting" Congo. I have asked all the three for the hundredth time and they have denied. These individuals, as well as other Ugandans mentioned, are ready to be investigated by our Government. The Government has asked members of the Parliamentary Standing Committee to launch fresh investigations on top of the casual inquiries we had made before. They are also available for interrogation by any International tribunal. If they are found innocent, we shall demand a full apology by the UN panel.

Then, in one of the paragraphs, they say that I must also be an accomplice because I refused to arrest Mbusa Nyamwisi and Tibasiima (Congolese Opposition leaders) because of stealing money!! This is absurd and shows how removed this panel is from reality. You wanted me to be a Colonial Governor over Congolese!! Who am I to arrest Congolese leaders for anything? I went to Congo for security interests of Uganda. The only Congolese I can conflict with is the one who threatens the security interests of Uganda or the Congolese population in the areas currently under our control. To go beyond that is to assume a colonial role. That is a role we shall never assume. Those problems must be handled by our Congolese brothers and sisters, themselves. The problems of administration, economic management and justice must be handled by our Congolese colleagues. Our interest is security nothing less, nothing more.

The investigations should continue with a more serious panel to expose those stealing the natural resources of Congo if any: e.g., minerals, timber, and ivory. The UN Panel even, most insensitively, claims that the whole purpose of the conflict is to get Congolese resources. Surely!! This UN team has never heard of the massacre of one million Rwandese or the extermination of eight hundred thousand Ugandans by Amin and Obote!! They have never heard of the burning alive of 50 Kichwamba students by terrorists operating out of Congo!! This is not acceptable. Obviously, we are of different ideological origins. The freedom fighters are not compatible with those who support colonialism. In 1968 I was in Mozambique expressing solidarity with FRELIMO. What business interest did I have there? We supported RPF of Rwanda and ANC of south Africa. What business are we doing in RWanda or South Africa today? It is multi-nationals that are directly taking advantage of all those new opportunities. May be indirectly we are benefitting in that South African companies are now investing here, e.g. MTN. Therefore, be informed that there is something the panelists may never have heard of: patriotism. We take positions out of conviction but

not out of mercenary considerations. Tanzania helped us to get rid of Amin. What commercial interests does Tanzania have in Uganda today? It is those who were working with Amin that are minting money out of Uganda. In the case of Congo, our interest has been security. We have, fortunately, been able to wipe out ADF (terrorists backed by Sudan and Congo). We were also hoping for an accountable government in Congo as a long term stabilisation factor for Congo and the region.

The report treated us to the stereotype fallacy that Congo is so rich that few can resist its lures. In Congo we do not see wealth; we see deprivation of the type we have not seen in Uganda for many decades. The wealth of a Country is its people; not stones in the ground. Unless we are back to the bullionist theory, mineral production, even where it is taking place, is not comparable to the products of intellectual labour (industrial products, services, etc) and agriculture. Congo, which is the same size as India, if the mines were fully operational, would earn approximately US$1.6 billion per annum. South Korea, half the land area of Uganda, earns today US$180 billion per annum. As of now, however, there are no serious minerals in our area of control. Even if the minerals were being fully exploited, the earnings would be minuscule compared to the earnings of Countries that have, through education and health, developed their human resources.

The UN Panelists, do not only distort the source of the conflict in the Great Lakes and malign us, but they also seek to destroy the Lusaka Agreement which was the only document that dealt with the three major aspects of the problem: the terrorists against Uganda operating our of Congo, the genocidaires from Rwanda and Burundi and the internal question of empowering the Congolese people through democracy. It seems the worry of the panelists is not the people of Congo, the people of Rwanda or the people of Uganda. Their interest is minerals. Our interest is the reverse. Why don't those who claim to care about Congo, talk about empowering the Congolese people? Why, then, do they undermine the Lusaka Agreement? It is Lusaka that had all the elements of the solution. There was also the UN Report on the negative forces in the region (Interahamwe, ADF, Kony, etc). What happened to it? Why was it not implemented? There is a lot of diversion from the core issues and double standards. Our Government, is anyway, preparing a paragraph by paragraph answer to the recent report on natural resources. The report is, in the main, shoddy, malicious and a red-herring in this situation. Genocide, terrorism and disenfranchising the Congolese people are the causes to this problem; not minerals.

Ugandans and other Africans may, then, wonder why anybody, speaking in the name of the UN, can stand up and tell such a lie against an African Country or leader. This is not strange at all. The interests that have been influencing the destiny of Africa for the last 500 years have been evil forces that do not care about Africa; they only care about looting it. Why do we wonder? In 1959 about 200,000 people of Rwanda were exterminated and

another one million were sent in the Diaspora for thirty years. In 1972 about 200,000 Barundi were massacred by Micombero. These same interests who are seeking to blacklist Uganda never said a word about those tragedies. The exterminated and the uprooted were not gold. They were not worth talking about. Between 1971 and 1986, about 800,000 Uganda were exterminated by the regimes of Amin and Obote. We preserved 70,000 skulls of these victims in the Luwero Triangle. Not many people in the World said anything about us. It was only our Tanzanian brothers that twice stood with us until we defeated these evil forces. Col. Gaddaffi of Libya, Kenya and Mozambique also gave us some support in the Second War. In 1994, in Rwanda, more than a one million people were exterminated when the UN was watching; and another one million Rwandese were stampeded into exile by the genocidaires across the border in Goma. The UN did absolutely nothing on the wicked grouping that was gathering in Goma. With the support of Mobutu these demonic forces were planning to come back to Rwanda to exterminate the remaining Tutsis. There were even talking of extending the extermination to Uganda and Burundi. You know the rest of the story. Nevertheless, you now witness this group of panelists writing a report on the problem of the Great Lakes without saying a word about the human catastrophes that have been visited on this area. There is not a word about the horrendous atrocities committed by Kony against the people of Northern Uganda; not a word about the ADF atrocities in Kasese, Kabarole and Bundibugyo (Districts in Western Uganda). These are the forces that Africa has been coping with for the last 500 years. Some of the old Colonial forces have somewhat redefined their aims in the positive direction. Others, however, are unrepentant and always weaving fresh conspiracies against Africa. The resurgent Uganda is seen as a threat by these forces. Our economy has been growing at an average GDP rate of 6.5 per cent per annum for the last fourteen years; inflation has been about five percent per annum for the last ten years; the enrolment in the Primary schools has soared from 2.5 million to 7 million; and, co-operating with a few other African Countries, we have stood up against the colonialist schemes of Tourabi and his allies in the Sudan, defeated the traitor Mobutu as well as stalemating other negative forces in our region. Since the regional agents of these evil forces can no longer defeat our forward march and that of the region towards liberation, it is now high time for the evil forces to manipulate the UN to come in and stop the disintegration of their perceived "interests". These "interests" are not legitimate; they are evil as has been shown above. Otherwise, there is no good reason why a free Africa should be a threat to anybody's legitimate interests.

The main problem, however, as in the past, are not these outsiders. It is, primarily, the Africans that are responsible for this eternal emasculation of Africa. We can defeat this foreign meddling if only we were not ideologically confused. We are the ones, through ideological inadequacy, that open the gates for the enemy from outside. Why hasn't Lusaka, for instance, been implemented? How is the Lusaka Agreement anti-Congo? The outsiders have not been involved in frustrating Lusaka. In fact those outside forces were on retreat.

By the time of swearing-in of the late President Kabila in May, 1997, Africa was on the threshold of a new dawn. However, ideological inadequacy could not allow that advantage to be sustained.

This is the real enemy of Africa - ideological inadequacy. Ideological inadequacy leads to misdefinition of interests and, therefore, of friends and enemies. This is the enemy from within. Why can't the problem of the Sudan be resolved? Doesn't the whole of Africa know that Nilotics were put under the parasitic control of the Arab speaking Northerners? Why must the people of Southern Sudan be exterminated by war for the last 35 years? Where are the patriots of Africa? Where is the UN? Where is the international morality? Where is the new World Order? Children are kidnapped from Uganda and raped in Sudan and ruined with AIDS. When will the UN help us with this problem?

Threats of sanctions, on the flimsiest of grounds, are only effective against Africans. The Panelists say that the relatives of Museveni are looting Congo. Why, then, not call for the arrest of those relatives? Why call for sanctions against the 23 million people of Uganda? If the panelists recommended that those relatives of Museveni should be handed to an international tribunal for trial and Uganda government refused, then you could think of sanctions against the government members; not the Country. This exposes the real interest of these forces - to disrupt the forward march of a resurgent Uganda. We have enough allies in the World to expose this conspiracy. By the end of this saga those who have "systematically and systemically" been looting Congo will be known. They will not include Uganda because we are conscientious long time fighters for Uganda's and Africa's freedom.

Owing to the indifference to African suffering in the World; owing to ideological confusion and fragmentation in Africa where you cannot tell who is an enemy and who is a friend; and owing to my long experience in dealing with these labyrinthine illegitimate interests in the World, I have now decided to recommend to the High Command, the Army Council, the Government and the Parliament that Uganda forces withdraw completely from Congo and also from the Lusaka Process since our immediate interest of defeating the ADF has been achieved. I may recommend that the UPDF remains on the Western slopes of the Rwenzori Mountains to mop up the remnants of ADF pending the deployment of the UN forces. We shall, then, await the developments in the region with freed hands. If the World community does not take care of our security interests, then we reserve the right to defend ourselves.

Finally, I have to mention, that we could not help wondering about the nature of these "experts". Experts in what? The experts you need in this region are people with enough experience in combating genocide; in fighting for democracy in primitive conditions; experts in Liberation wars - not merely accountants from New York. In the past, when it was

necessary to find a mediator for the Burundi Peace process we, first, insisted on Mwalimu Nyerere and when he died, we insisted on President Mandela because of their knowledge of the anti-Colonial struggle and struggle for democracy in the conditions of the region. A *jamboree* of "mediators" from different backgrounds would not have helped us in this situation. The Peace Process in Burundi moved this far because of this careful and correct decision. Understanding the problem of Congo and the region needs these types of experts - not just technocrats accustomed to working in air-conditioned rooms.

signed by:

Yoweri Kaguta Museveni
26 April, 2001

United Nations A/56/69-S/2001/459

General Assembly
Security Council

Distr.: General
9 May 2001

Original: English

General Assembly
Fifty-sixth session
Item 179 of the preliminary list*
Measures to eliminate international terrorism

Security Council
Fifty-sixth year

Letter dated 9 May 2001 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

I wish to draw your attention to an extremely grave incident that occurred this week in the waters just off the Israeli coast.

This past Sunday, 6 May 2001, the Israeli Navy intercepted a boat, laden with large quantities of weapons, en route from Lebanon to the Gaza Strip. The vessel's cargo included 50 107 mm Katyusha rockets with a range of 8.5 kilometres, 4 SA-7 "Strella" anti-aircraft missiles with a 4-kilometre range, 20 rocket-propelled grenade launchers (RPG), 120 anti-tank grenades, 2 60 mm mortars with 98 mortar shells, 70 mines, 30 Kalashnikov assault rifles and some 13,000 rounds of 7.62 mm ammunition. The possession of such weaponry by the Palestinian Authority, in addition to constituting a flagrant violation of signed agreements between the sides, would enable a significant escalation of the violence. Katyusha rockets fired from locations inside the territories of the Palestinian Authority are capable of inflicting devastating damage on major Israeli population centres.

The ship's crew members indicated to Israeli authorities that the source of the weapons and other military materials is the Popular Front for the Liberation of Palestine. Yet that organization's minimal presence in the Gaza Strip is an overwhelming indication that the weapons were destined for other groups tied to the Palestinian leadership who are the only ones with the operational capability to distribute such weapons to trained persons who are capable of using them. Crew members further indicated that their instructions were merely to drop the weapons, which were carefully packaged in waterproof barrels, at a designated point near the coast of Gaza, whereupon the Palestinian security services would send out boats to retrieve them.

This incident comes amidst continuing Palestinian aggression and acts of terrorism directed against Israeli civilians. This morning, the bodies of two Israeli youths, both age 14, were found at the Haritoun Cave near the community of Tekoa. The pair had departed yesterday for a day hike in the area and, when they failed to

* A/56/50.

01-36597 (E) 090501

return, their parents alerted the authorities, who began a search. Preliminary reports indicate that the two were stoned and stabbed to death.

Yesterday morning, 8 May 2001, Arieh Arnaldo Leon Agranionic, 48, was murdered by terrorists as he guarded the Binyamin farm, an outpost located several kilometres east of the community of Itamar. Agranionic was shot at close range with Kalashnikov rifles by terrorists, who then stole his M-16 rifle and fled on foot to a waiting vehicle. A group called the Hassan Kadi Brigade claimed responsibility for the murder.

At approximately 2 a.m. (local time) Tuesday morning, 8 May 2001, Aryeh Orlanda, a resident of Ma'ale Israel, was found murdered near the edge of the community. Orlanda had been shot and stabbed repeatedly and footprints found in the vicinity of the murder scene lead to a nearby Palestinian village.

On Sunday, 6 May 2001, five people were injured when a bomb exploded near a bus stop in the city of Petah Tikva. The bomb, which was packed with nails for maximum impact, had been planted in a garbage container between the bus stop and a bakery. The device was detonated shortly after 7 a.m. (local time), an hour when the bus stop was sure to be crowded with people on their way to work.

These incidents are merely the latest in a series of Palestinian attacks which have been detailed in my letters dated 1 May 2001 (A/55/924-S/2001/435), 23 April 2001 (A/55/910-S/2001/396), 16 April 2001 (A/55/901-S/2001/364), 28 March 2001 (A/55/863-S/2001/291), 27 March 2001 (A/55/860-S/2001/280), 26 March 2001 (A/55/858-S/2001/278), 19 March 2001 (A/55/842-S/2001/244), 5 March 2001 (A/55/821-S/2001/193), 2 March 2001 (A/55/819-S/2001/187), 14 February 2001 (A/55/787-S/2001/137), 13 February 2001 (A/55/781-S/2001/132), 2 February 2001 (A/55/762-S/2001/103), 25 January 2001 (A/55/748-S/2001/81), 23 January 2001 (A/55/742-S/2001/71), 28 December 2000 (A/55/719-S/2000/1252), 22 November 2000 (A/55/641-S/2000/1114), 20 November 2000 (A/55/634-S/2000/1108) and 2 November 2000 (A/55/540-S/2000/1065).

Together with the seizure of the weapons, these incidents augur an increasingly unstable situation. Israel holds the Palestinian Authority responsible for these terrorist attacks, as well as for the smuggling of weapons in contravention of signed accords, in light of its continued unwillingness to take action against terrorist organizations, its encouragement of violence through the release of convicted terrorist prisoners, and the direct participation by organs of the Palestinian security services in planning and implementing attacks on Israelis. We call upon the Palestinian leadership to act immediately to abandon its aggressive posture and to restrain the terrorist elements that operate with near-complete freedom and impunity in the territory under its control.

I should be grateful if you would arrange to have the text of this letter circulated as a document of the General Assembly, under item 179 of the preliminary list, and of the Security Council.

(*Signed*) Yehuda **Lancry**
Permanent Representative

United Nations S/2001/460

Security Council

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Report by the Secretary-General concerning the credentials of the alternate representative of Singapore on the Security Council

Pursuant to rule 15 of the provisional rules of procedure of the Security Council, the Secretary-General wishes to report that he has received credentials, signed on 27 April 2001 by the Minister for Foreign Affairs of Singapore, stating that Mr. Eric **Chong** Kian Keong has been appointed alternate representative of Singapore on the Security Council for the period 7 May 2001 to 31 December 2002.

In the opinion of the Secretary-General, these credentials are in order.

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